

Management Information Circular

Notice of Annual Meeting of Shareholders | May 5, 2023

ARC Resources Ltd.

Information Circular – Proxy Statement

Solicitation of Proxies

This Information Circular – Proxy Statement is provided in connection with the solicitation of proxies by Management of ARC Resources Ltd. (“ARC” or the “Company”) for use at the Annual Meeting of the holders of Common Shares of the Company (the “Annual Meeting”) to be held virtually on May 5, 2023, at 10:00 a.m. (MST), and at any adjournment thereof, for the purposes set forth in the Notice of Annual Meeting.

The Board of Directors (the “Board”) of the Company has fixed the record date for the Annual Meeting to be the close of business on March 21, 2023. 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 Annual Meeting; 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 Annual Meeting, that the transferee’s name be included in the list of shareholders entitled to vote at the Annual Meeting, such transferee shall be entitled to vote such Common Shares at the Annual Meeting. The Company encourages shareholders to vote their shares prior to the Annual 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.

Important Information with Respect to the Virtual Annual Meeting

The Annual Meeting will be held in a virtual-only format conducted via live webcast online at **web.lumiagm.com/474790291** (password “arc2023”). The virtual-only format permits a broader base of shareholders to participate in the Annual Meeting, regardless of their geographical location, than compared to an in-person meeting only.

Although the Annual Meeting will be held virtually, shareholders will be afforded the same opportunities to vote and ask questions at the Annual Meeting as they would at an in-person meeting. Shareholders can participate online using their smartphone, tablet, or computer. Registered shareholders and beneficial shareholders who have duly appointed themselves as proxyholder and registered their appointments with Computershare as set out below will be able to listen, ask questions, and vote, in real time, during the Annual Meeting, provided they are connected to the internet and properly follow the instructions below and on ARC’s website. Beneficial shareholders should carefully follow the instructions below under “Voting Information – Beneficial Shareholder Voting Information” to appoint themselves as proxyholder and register their appointments to ensure they are able to vote and ask questions during the Annual Meeting. Beneficial shareholders who have not duly appointed themselves as proxyholders and registered their appointments may still participate in the Annual Meeting as guests, but they will not be able to vote or ask questions.

Shareholders will be able to ask questions immediately before and during the Annual Meeting by typing their question into the messaging tab of the virtual meeting platform. Shareholders may also submit their questions in advance by sending them by e-mail to **IR@arcresources.com** no later than 8:00 a.m. (MST), on Wednesday, May 3, 2023. Questions relating to the business of the Annual Meeting will be answered during the Annual Meeting while all other questions will be addressed following the Annual Meeting. Notwithstanding the above, to ensure the Annual Meeting is conducted in a manner that is fair to all shareholders, the Chair of the Annual Meeting may exercise discretion in responding to the questions including the order in which the questions are answered, the grouping of the questions, and the amount of time devoted to any question. In addition, similar questions may be aggregated by the Chair.

To attend the Annual Meeting, log in online at **web.lumiagm.com/474790291** using the latest versions of the following compatible internet browsers: Chrome, Safari, Edge, or Firefox. Next, click “Login.” If you are a registered shareholder or duly appointed proxyholder that has registered their appointment, click “Shareholder” and enter your Control Number or Proxyholder Username (as applicable) and the password “arc2023” (case sensitive). If you are anyone else, including a beneficial shareholder, click “Guest” and complete the online form. Attendees are recommended to log in at least thirty minutes before the meeting starts.

It is important that shareholders remain connected to the internet at all times during the Annual Meeting in order to vote when balloting commences.

Included with this information circular is a virtual meeting user guide that outlines the process for accessing the Annual Meeting in greater detail. The user guide will be sent to registered shareholders with their proxy packages and posted on ARC’s website. If you have any difficulties during the registration process, contact Computershare at **1-800-564-6253** (toll-free in Canada and the United States). If you have any difficulties while accessing and attending the Annual Meeting, contact LUMI at support-ca@lumiglobal.com.

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 proxyholder 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.

The Company has 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 Annual Meeting in respect of mailings to ARC's 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 (the "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 Information 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 intends 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 virtually, at the Annual Meeting, or by proxy, prior to the Annual Meeting.

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 ("Computershare"). Registered shareholders are also entitled to vote their Common Shares online at **www.investorvote.com** or by telephone at **1-866-732-8683** (toll-free). For online and telephone voting, you will require your 15-digit control number found on your proxy form.

Registered shareholders may also vote during the Annual Meeting by following the instructions noted above and completing a ballot online during the Annual Meeting.

To be valid and acted upon at the Annual Meeting, forms of proxy, as well as votes received online and by 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 Annual Meeting or any adjournment thereof.

Beneficial Shareholder Voting Information

Most shareholders of the Company are "beneficial shareholders". 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 virtually, at the Annual Meeting, or by proxy, prior to the Annual Meeting.

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

If you are a beneficial shareholder located in Canada or outside the United States and wish to vote during the Annual Meeting, you must insert your own name in the space provided on the Voting Instruction Form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary AND register yourself as your proxyholder, as described below in Step 2. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary. **Registering your proxyholder is an additional step to be completed AFTER you have submitted the Voting Instruction Form. Failure to register the proxyholder will result in the proxyholder not receiving a Proxyholder Username that is required to vote and submit questions at the Annual Meeting.**

Beneficial shareholders should follow these steps to ensure that their vote is recorded at the Annual Meeting:

- **Step 1: Submit the Voting Instruction Form:** To appoint someone other than the individuals named in the Voting Instruction Form as proxyholder, insert that person's name in the blank space provided in the Voting Instruction Form (if permitted) and follow the instructions for submitting such Voting Instruction Form. This must be completed before registering such proxyholder, which is an additional step to be completed once you have submitted the Voting Instruction Form.
- **Step 2: Register your proxyholder:** To register a proxyholder, you must visit <http://www.computershare.com/ARC> not less than 48 hours (excluding weekends and holidays) before the time set for the holding of the Annual Meeting or any adjournment thereof and provide Computershare with the required proxyholder contact information so that Computershare may provide the proxyholder with a Proxyholder Username via e-mail.

Beneficial shareholders who have not appointed themselves as proxyholders to participate and vote at the Annual Meeting and who do not register and obtain a Proxyholder Username will not be able to vote or submit questions at the Annual Meeting but may participate as a guest only.

If you are a beneficial shareholder located in the United States, to attend and vote at the Annual Meeting, you must first obtain a valid legal proxy from your broker, bank, or other agent and then register in advance to attend the Annual Meeting, by submitting a copy of your legal proxy to Computershare. Requests for registration should be sent to: Computershare, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or e-mailed at uslegalproxy@computershare.com. Requests for registration must be labeled as "Legal Proxy" and be received not less than 48 hours (excluding weekends and holidays) before the time set for the holding of the Annual Meeting or any adjournment thereof. You will receive a confirmation of your registration by e-mail once Computershare receives your registration materials. Please note that if you are a beneficial shareholder located in the United States, you are also required to register your appointment at <http://www.computershare.com/ARC>. To be valid and acted upon at the Annual Meeting, voting instructions, as well as votes received online and by 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 Annual Meeting or any adjournment thereof.

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 Annual Meeting virtually, at which such proxy is to be voted, such person may revoke the proxy and vote, virtually. 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 their attorney authorized in writing or, if the registered shareholder is a corporation, under its corporate seal, or by an officer or attorney thereby 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 Annual Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chair of the Annual Meeting on the day of the Annual 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 Management of the Company. Costs incurred in the preparation and mailing of proxy-related materials for the Annual 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.

Exercise of Discretion by Proxy

The Common Shares represented by proxy by the Management nominees shall be voted at the Annual 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 of March 21, 2023, there were 618,432,151 Common Shares issued and outstanding. At the Annual Meeting, every shareholder present, virtually, or represented by proxy and entitled to vote, shall have one vote. On a poll or ballot, every shareholder present, virtually, or by proxy has one vote for each Common Share of which such shareholder is the registered holder.

ARC is authorized to issue 50 million Preferred Shares without nominal or par value issuable in series. As of March 21, 2023, there were no Preferred Shares issued and outstanding.

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

To the knowledge of the Directors and Officers 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 Annual Meeting.

As of March 21, 2023, the percentage of Common Shares that are beneficially owned, or controlled or directed, directly or indirectly, by all Directors and Officers of the Company in aggregate is 0.48 per cent of the issued and outstanding Common Shares.

Quorum for Meeting and Approval Requirements

At the Annual 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 Annual Meeting, the shareholders present, virtually, may adjourn the Annual Meeting to a fixed time and place but may not transact any other business.

All matters to be considered at the Annual Meeting are ordinary resolutions other than the resolution to accept the Company's approach to executive compensation which is advisory only.

The Board has adopted a majority voting policy that requires that any nominee for director who receives a greater number of votes "withheld" than votes "for" his or her election as a director should offer their resignation from the Board to the Chair of the Policy and Board Governance Committee. This requirement will not be applicable where the election involves a contested election outside of the slate nominated by the Board. The Board will consider such resignation after receipt of the recommendation of the Policy and Board Governance Committee, and any replacement of the resigning member will be made on the recommendation of the Policy and Board Governance Committee at the discretion of the Board. Disclosure to the public of the Board's decision will be made within 90 days of the applicable annual meeting. The full text of the majority voting policy is contained in the Charter of the Board of Directors, as available on the Company's website at www.arcresources.com.

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 Annual 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. (MST) on April 14, 2023. 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: Friday, May 5, 2023

Time: 10:00 a.m. (MT)

Place: Virtually

Agenda for the Annual Meeting

1. Receive the consolidated financial statements for the year ended December 31, 2022, and the Auditors' report thereon
2. To elect the Directors of the Company
3. To appoint the Auditors of the Company
4. To approve an advisory resolution on executive compensation
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 Annual Meeting, virtually, 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, as follows:



By Mail

Computershare Trust
Company of Canada
Attn: Proxy Department
135 West Beaver Creek
P.O. Box 300
Richmond Hill, Ontario,
L4B 4R5



By Hand

Computershare Trust
Company of Canada
100 University Avenue
8th Floor
Toronto, Ontario
M5J 2Y1



By Facsimile

1-416-263-9524
or
1-866-249-7775



By Telephone

1-866-732-8683
(toll-free)



Online

www.investorvote.com

Voting Information

To vote your shares online or over the telephone, you will require your 15-digit control number found on your proxy form.

To be valid and acted upon at the Annual Meeting, forms of proxy as well as votes received online and over the 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 Annual 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 Annual Meeting.

The Board of Directors of the Company has fixed the record date for the Annual Meeting at the close of business on March 21, 2023.

The Company will hold its Annual Meeting virtually via live webcast. As always, the Company encourages shareholders to vote their shares prior to the Annual Meeting.

DATED at Calgary, Alberta, this 21st day of March 2023.

BY ORDER OF THE BOARD OF DIRECTORS

Terry Anderson
President and Chief Executive Officer

Letter from the Board Chair

Dear Fellow Shareholders,

On behalf of ARC's board of directors, management team and employees, I invite you to participate in our 2023 Annual Meeting of Shareholders (the "Meeting") on May 5, 2023 at 10 a.m. MT. The items of business to be considered and acted on at the Meeting are described in the Notice of Annual Meeting of Shareholders of ARC Resources Ltd. and within this information circular. We encourage you to review these materials in advance of the meeting and prior to voting.

2022 required discipline, agility and focus. The inflationary pressures that began in 2021, continued this past year and impacted businesses and industries around the world. Closer to home, uncertainty in the regulatory environment in British Columbia persisted through 2022, limiting development activity by all companies in the region. Through a challenging year our Company and our people persevered, delivering record performance on both operational and financial measures.

The British Columbia regulatory situation continued far longer than expected. The ARC team responded quickly, shifting most drilling and development activity to our condensate-rich properties in Alberta and delivering strong production rates and record free funds flow during a year of strong commodity prices. Our teams executed the largest capital program in ARC's history, profitably investing \$1.4 billion to deliver 26-year record highs for annual production of 345,613 boe per day, and free funds flow of \$2.3 billion. ARC delivered on its commitment to shareholders, returning approximately 71 per cent of free funds flow through the dividend and share repurchases, with the remainder used to further strengthen our balance sheet and reduce net debt by \$0.5 billion. During 2022, ARC also advanced its market diversification and margin expansion strategies by securing a long-term natural gas supply agreement with Cheniere Energy Inc., a global LNG provider. The Company continues to assess long-term transportation and marketing opportunities, including LNG.

Throughout a year of incredible activity, the ARC team demonstrated its commitment to health and safety, a priority that remains deeply embedded in the culture of our Company. On behalf of the Board, I would like to thank the management team and employees for their continued focus on the safe execution of our business. ARC's commitment to safety, operational excellence and long-term value-creation is evident in the exceptional results that were achieved this past year. Of note, the Company maintained its industry-leading ESG performance, achieving EO100™ certification on 100 per cent of its asset base.

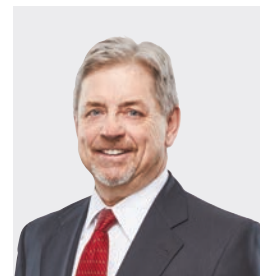
I would like to acknowledge and thank Susan Jones who retired from our Board in February. Susan's perspective and contribution over the past two years has been invaluable, and we wish her all the best as she continues to make a meaningful impact in the corporate community.

Thank you once again to our shareholders for your continued confidence in our Company. We look forward to your participation at our annual meeting.

Sincerely,



Hal Kvisle
Board Chair, ARC Resources Ltd.



Hal Kvisle
Board Chair, ARC Resources Ltd.

Matters to Be Acted Upon at the Annual Meeting

The following matters will be acted upon at the Annual Meeting of Shareholders on May 5, 2023. Your vote is extremely important. 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
Appoint the Auditors of the Company	FOR
Approve advisory vote on executive compensation	FOR

1. Election of Directors

The Board is responsible for the stewardship of ARC on behalf of its shareholders to ensure the long-term success of the Company. The Board has 10 members, eight of whom are independent, non-Management Directors. Collectively, the Directors bring a wide range of business and leadership experience in the energy industry, as well as expertise in finance, accounting, marketing, environmental, social and governance ("ESG") performance, legal, human resources and other disciplines that are beneficial to the Company.

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

The following are the Directors nominated for election to the Board. For further information regarding their backgrounds, qualifications, committee membership, attendance and share ownership, see "Information on the Nominated Directors" in this information circular.

Harold N. Kvisle	Farhad Ahrabi	Carol T. Banducci
David R. Collyer	William J. McAdam	Michael G. McAllister
Marty L. Proctor	M. Jacqueline Sheppard	
Leontine van Leeuwen-Atkins	Terry M. Anderson	

If, for any reason, any of the proposed nominees do not stand for election or are 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 Director nominees.

2. Appointment of Independent Auditors

The Audit Committee has reviewed the performance of PricewaterhouseCoopers, LLP ("PwC"), including its independence relating to the audit of ARC's Financial Information, and recommends the re-appointment of PwC as auditors for 2023. In 2022, shareholders approved the appointment of PwC as auditors with 99.68 per cent voting in favour. The Audit Committee appoints an independent external auditor annually, and PwC has served in this capacity since 2017.

The independent external auditor 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 International Financial Accounting Standards ("IFRS") and generally accepted accounting principles ("GAAP").



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 approves all audit and non-audit services performed by ARC's external auditors. Through 2022 and up to February 9, 2023, the Audit Committee pre-approved all audit and non-audit services performed by ARC's external auditors; however, audit-related and non-audit services provided by the external auditors for individual engagements with estimated fees of \$50,000 or less were permitted to be pre-approved by the Chair of the Audit Committee between scheduled meetings. After February 9, 2023, the Audit Committee mandate was amended to allow for specific pre-approved audit-related and non-audit services provided by the external auditors in accordance with policies and procedures adopted by the Committee.

The aggregate fees billed by PwC in 2021 and 2022 are summarized in the following table.

External Audit Service Fees	Billed in 2021	Billed in 2022
Audit Fees	\$1,166,300	\$1,239,060
Audit-related Fees ⁽¹⁾	\$ 26,750	\$ —
Total Audit and Audit-related Fees	\$1,193,050	\$1,239,060
Other Fees ⁽²⁾	\$ 252,150	\$ 49,638
Total Fees	\$1,445,200	\$1,288,698

(1) The aggregate fees billed by ARC's external auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Financial Information, but which are not included in audit fees.

(2) Includes the assessment fee billed by the Canadian Public Accountability Board ("CPAB") per National Instrument 52-108 *Auditor Oversight* mandate requiring reporting issuers have an audit completed by a CPAB participant firm, fees related to valuation services for ARC's long-term restricted share awards ("LTRSA"), fees related to services related for the Joint Management Information circular and Business Acquisition Report associated with the Business Combination, fees related to services for an IT Cybersecurity Assessment, and fees related to services for an End User Computing model.

The Audit Committee reviewed the audit and permissible non-audit services performed by PwC in 2021 and 2022, 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.

3. Advisory Vote on Executive Compensation

ARC's executive compensation programs are designed to attract, retain, motivate, and reward its 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 long-term equity-based incentives that reflect the Company's pay-for-performance philosophy and provide for a significant portion of an executive's compensation to be at-risk, with consideration for sound risk management and good governance principles.

The Board values input from ARC's shareholders on the Company's compensation programs and provides shareholders with an advisory vote, commonly referred to as "say on pay", at the Annual Meeting. As part of its commitment to strong corporate governance practices and shareholder engagement, ARC has held an advisory "say on pay" vote annually since 2011. 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 for the 2023 Annual Meeting of Shareholders of the Company."

ARC encourages shareholders to read the Compensation Discussion and Analysis ("CD&A") section of this information circular prior to voting. As this is an advisory vote, the results will not be binding upon the Board. However, ARC will consider the outcome of the vote as part of its ongoing review of its executive compensation practices and welcomes shareholder feedback. At the 2022 Annual Meeting of Shareholders, this resolution was approved with 96.68 per cent of shares voted in favour.

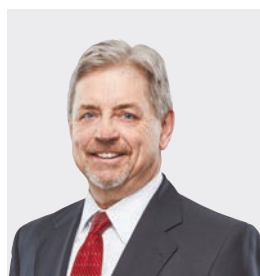


The Board of Directors unanimously recommends that shareholders vote FOR the advisory vote on executive compensation and, unless instructed otherwise, the persons named in the enclosed form of proxy will vote FOR the advisory vote on executive compensation.

Information on the Nominated Directors

Director Nominees

Below are brief biographies of the Director nominees, including a summary of their experience and qualifications, their 2022 committee memberships and attendance, directorships at other public entities, share ownership, and voting results from the last Annual Meeting. For further information on our Director nominees, see ARC's website at www.arcresources.com.

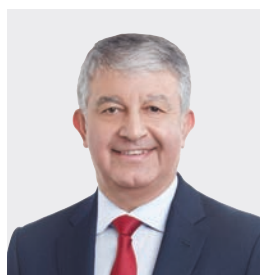


Age: 70
Calgary, Alberta, Canada
Board Chair
Director Since 2009
Independent

Harold N. Kvisle, B.SC., P.ENG., MBA, F.ICD.D

Mr. Kvisle is a distinguished executive with more than 40 years' experience in the energy, utilities, and power sectors. Over the course of his career, Mr. Kvisle has held several executive roles with international exposure and extensive experience in all facets of the energy value chain. Currently, Mr. Kvisle also serves as Board Chair for Finning International Inc. and as a Director for Cenovus Energy Inc. Mr. Kvisle was Chief Executive Officer of Talisman Energy Inc. from 2012 to 2015. From 2001 to 2010, he served as Chief Executive Officer of TransCanada Corporation, now TC Energy Corporation. Prior to joining TransCanada Corporation in 1999, he founded and was President of Fletcher Challenge Energy Canada Inc. Mr. Kvisle holds a Bachelor of Science in Engineering degree from the University of Alberta, a Master of Business Administration and Honorary Doctor of Laws degrees from the University of Calgary, and an Honorary Doctor of Laws degree from Mount Royal University. Mr. Kvisle has also earned the F.ICD.D designation from the Institute of Corporate Directors.

Board Committee Membership	2022 Meeting Attendance	
Board (Board Chair)	9 of 9	100%
Annual Meeting Voting Results	Percentage of Votes in Favour	
2022	96.96%	
Share Ownership ⁽¹⁾	Meets Shareholding Requirements	
555,112 shares and share equivalents - \$8,698,605	Met	
Current Public Board Directorships		
ARC Resources Ltd. (Board Chair)		
Cenovus Energy Inc.		
Finning International Inc. (Board Chair)		



Age: 64
Houston, Texas, USA
Director
Director Since 2019
Independent

Farhad Ahrabi, B.SC, P.ENG, PH.D

Mr. Ahrabi has more than 35 years of experience in international energy operations having worked in three different continents with extensive expertise in liquefied natural gas ("LNG") and upstream oil and gas operations. His knowledge extends to joint venture management and operational excellence in global upstream and midstream operations. Mr. Ahrabi retired from Cameron LNG LLC where he spent seven and a half years as Chief Executive Officer in February 2022. In April 2022, Mr. Ahrabi joined Commonwealth LNG as President and Chief Executive Officer. Previously, Mr. Ahrabi spent 29 years with the BG Group (now part of Shell plc) where he held several executive positions. During his tenure with BG Group, within Canada, Mr. Ahrabi spent three years assessing LNG opportunities in British Columbia. Mr. Ahrabi holds a Bachelor of Science Degree in Chemical Engineering from the University of Wales, and a Doctorate Degree in Chemical Engineering with a focus on Enhanced Oil Recovery from the University of Exeter in the United Kingdom. He is a Chartered (Professional) Engineer and a member of the Institution of Chemical Engineers.

Board Committee Membership	2022 Meeting Attendance	
Board	8 of 9 ⁽²⁾	89%
Audit	5 of 5	100%
Risk (Chair)	5 of 5	100%
Annual Meeting Voting Results	Percentage of Votes in Favour	
2022	98.91%	
Share Ownership ⁽¹⁾	Meets Shareholding Requirements	
92,413 shares and share equivalents - \$1,448,112	Met	
Current Public Board Directorships		
ARC Resources Ltd.		

(2) Mr. Ahrabi recused himself from the May 19, 2022 Board meeting.



Age: 63
Mississauga, Ontario, Canada
Director
Director Since 2021
Independent

Carol T. Banducci, B.COMM

Ms. Banducci has more than 30 years of international experience with a focus in operational, corporate, and senior leadership roles. She has extensive expertise in strategy development and implementation, finance and accounting. Most recently, Ms. Banducci was Executive Vice President and Chief Financial Officer of IAMGOLD Corporation. She also served as Chair of Niobec Inc. Previously, she was a senior leader with a major plastics and polymer producer and was Chief Financial Officer of Orica Explosives North America and ICI Explosives Canada & Latin America. Ms. Banducci serves as a Director with Hudbay Minerals Inc. and Citibank Canada. She is a member of the Institute of Corporate Directors and is a past member of the Canadian Board Diversity Council. Ms. Banducci holds a Bachelor of Commerce from the University of Toronto.

Board Committee Membership	2022 Meeting Attendance	
Board	9 of 9	100%
Audit	5 of 5	100%
Policy & Board Governance	2 of 2	100%
Risk	3 of 3	100%

Annual Meeting Voting Results	Percentage of Votes in Favour
2022	99.65%

Share Ownership ⁽¹⁾	Meets Shareholding Requirements
16,756 shares and share equivalents - \$262,567	Has until November 4, 2026

Current Public Board Directorships

ARC Resources Ltd.
Hudbay Minerals Inc.



Age: 67
Calgary, Alberta, Canada
Director
Director Since 2016
Independent

David R. Collyer, B.SC., P.ENG., MBA

Mr. Collyer has been in the energy industry for nearly 40 years and has extensive experience in all aspects of the upstream and downstream segments, including marketing both domestically and internationally. Currently, he is the Board Chair of Emissions Reduction Alberta, and serves as a Director of AltaLink. Over the course of his career, Mr. Collyer has held a broad range of technical, business, marketing, and senior leadership roles at Shell Canada Limited, culminating in his role as President and Country Chair. During his career, he participated in a two-year Executive Exchange assignment as Director, Supply Branch at the National Energy Board. Following his retirement, Mr. Collyer served as President of the Canadian Association of Petroleum Producers (CAPP) from 2008 to 2014. He holds a Bachelor of Science in Mineral Engineering and a Master of Business Administration from the University of Alberta.

Board Committee Membership	2022 Meeting Attendance	
Board	9 of 9	100%
Human Resources & Compensation (Chair)	6 of 6	100%
Policy & Board Governance	5 of 5	100%
Safety, Reserves & Operational Excellence	5 of 5	100%

Annual Meeting Voting Results	Percentage of Votes in Favour
2022	98.32%

Share Ownership ⁽¹⁾	Meets Shareholding Requirements
122,530 shares and share equivalents - \$1,920,045	Met

Current Public Board Directorships

ARC Resources Ltd.



Age: 71
 Scottsdale, Arizona, USA
 Director
Director Since 2021
Independent

William J. McAdam, B.SC., MBA, ICD.D

Mr. McAdam has 40 years of experience in the energy industry in North America with expertise in engineering, refining, fertilizer, petrochemicals, planning and natural gas liquids. Currently, Mr. McAdam also serves as a Director of Kingston Midstream. From 2000 to 2013, Mr. McAdam was the President and Chief Executive Officer of Aux Sable where he was responsible for leading the company's North American business. Prior to joining Aux Sable, he held several executive roles for North American energy producers including Imperial Oil Limited and ExxonMobil Chemical. Mr. McAdam previously served as a Director for SemGroup Corporation and Canexus Corporation. He has a Bachelor of Science in Chemical Engineering from Queen's University and a Master of Business Administration from McMaster University. He holds the ICD.D designation from the Institute of Corporate Directors and is a member of the National Association of Corporate Directors.

Board Committee Membership		2022 Meeting Attendance	
Board		9 of 9	100%
Risk		5 of 5	100%
Safety, Reserves & Operational Excellence		5 of 5	100%
Annual Meeting Voting Results		Percentage of Votes in Favour	
2022			99.71%
Share Ownership ⁽¹⁾		Meets Shareholding Requirements	
256,726 shares and share equivalents - \$4,022,896			Met
Current Public Board Directorships			
ARC Resources Ltd.			



Age: 64
 Calgary, Alberta, Canada
 Director
Director Since 2020
Independent

Michael G. McAllister, B.ENG., P.ENG.

Mr. McAllister has 40 years of energy industry experience in North America with expertise in operations and development. Mr. McAllister spent 20 years at Oviniv Inc. (formerly Encana Corporation) where he held several executive roles including his most recent role as President. In this role, he was responsible for the company's operations, exploration, land, marketing, midstream, and corporate services. Previously, he served as the company's Executive Vice President and Chief Operating Officer. Prior to that, Mr. McAllister held various technical and leadership roles for Texaco Canada and Imperial Oil Resources Ltd. He holds a Mechanical Engineering degree from Concordia University.

Board Committee Membership		2022 Meeting Attendance	
Board		9 of 9	100%
Human Resources & Compensation		5 of 5	100%
Safety, Reserves & Operational Excellence (Chair)		5 of 5	100%
Annual Meeting Voting Results		Percentage of Votes in Favour	
2022			99.18%
Share Ownership ⁽¹⁾		Meets Shareholding Requirements	
80,057 shares and share equivalents - \$1,254,493			Met
Current Public Board Directorships			
ARC Resources Ltd.			



Age: 62
Calgary, Alberta, Canada
Director
Director Since 2021
Non-Independent

Marty L. Proctor B.SC., M.SC., P.ENG., ICD.D

Mr. Proctor has more than 35 years' experience in Canada and other international markets with expertise in operations, engineering and business strategy. He also serves as a Director with Athabasca Oil, a Director with GreenFirst Forest Products Inc. and is Board Chair of Tenaz Energy Corp. Mr. Proctor joined Seven Generations Energy Ltd. as President and Chief Operating Officer in May 2014 and in July 2017, he was appointed President and Chief Executive Officer. Previously, Mr. Proctor was Chief Operating Officer of Baytex Energy Corporation from 2009 to 2014, and Senior Vice President of Upstream Operations with Statoil Hydro Canada Exploration Inc. Prior to that, Mr. Proctor held technical and leadership roles with several exploration and production companies working in the Western Canadian Sedimentary Basin and U.S. and international oilfields. He holds a Bachelor of Science in Petroleum Engineering and a Master of Science in Petroleum Engineering from the University of Alberta. In 2022, Mr. Proctor completed the Advanced Management Program at the University of Chicago Booth School of Business. Mr. Proctor has also earned the ICD.D designation from the Institute of Corporate Directors.

Board Committee Membership	2022 Meeting Attendance	
Board	9 of 9	100%
Risk	5 of 5	100%
Safety, Reserves & Operational Excellence	5 of 5	100%

Annual Meeting Voting Results	Percentage of Votes in Favour
2022	96.01%

Share Ownership ⁽¹⁾	Meets Shareholding Requirements
253,156 shares and share equivalents - \$3,966,955	Met

Current Public Board Directorships

ARC Resources Ltd.
Athabasca Oil Corporation
GreenFirst Forest Products Inc.
Tenaz Energy Corp. (Board Chair)



Age: 67
Calgary, Alberta, Canada
Director
Director Since 2021
Independent

M. Jacqueline Sheppard, B.A., M.A., J.D., F.ICD.D

Ms. Sheppard has more than 40 years of experience, including executive experience in the energy industry and as a director of several large public, private and Crown corporations. She has expertise in strategic planning, global business development, public markets, stakeholder relations, legal and governance. Currently, Ms. Sheppard is Board Chair of Emera Inc. She also serves on the board of Suncor Energy Inc. Previously, she was a Founder and Lead Director of Black Swan Energy Inc., a Director of Cairn Energy PLC and Pacific Northwest LNG and Board Chair of the Research and Development Corporation of the Province of Newfoundland and Labrador. From 1994 to 2009, Ms. Sheppard was at Talisman Energy Inc. where she held several executive roles including her most recent role as Executive Vice President, Corporate and Legal. Previously, she was in private practice and was a partner at a national law firm. A Rhodes Scholar, she received an Honours Jurisprudence, Bachelor of Arts and Master of Arts from Oxford University. She has a Bachelor of Laws degree (Honours) from McGill University, and a Bachelor of Arts and honorary Doctor of Laws degrees from Memorial University. In 2008, Ms. Sheppard was appointed the Queen's Counsel designation. Ms. Sheppard has also earned the F.ICD.D designation from the Institute of Corporate Directors.

Board Committee Membership	2022 Meeting Attendance	
Board	9 of 9	100%
Human Resources & Compensation	5 of 6	83%
Policy & Board Governance (Chair)	5 of 5	100%

Annual Meeting Voting Results	Percentage of Votes in Favour
2022	98.64%

Share Ownership ⁽¹⁾	Meets Shareholding Requirements
189,099 shares and share equivalents - \$2,963,181	Met

Current Public Board Directorships

ARC Resources Ltd.
Emera Inc. (Board Chair)
Suncor Energy Inc.



Age: 58
Calgary, Alberta, Canada
Director
Director Since 2021
Independent

Leontine van Leeuwen- Atkins, B.BA., MBA, FCPA, FCA, ICD.D

Ms. Atkins has more than 30 years of international experience working across the energy value chain with expertise in business strategy, mergers and acquisitions, finance, and sustainability. Currently, she serves on the boards of Cameco Corporation and EPCOR Utilities Inc. From 2006 to 2019, she was a partner with KPMG LLP. During her tenure, she led the European Energy & Natural Resources practice, the Netherlands' Industrial Markets practice and Europe's Chemical and Pharmaceutical practice, focusing on strategic investments and initiatives. Ms. Atkins also served on KPMG Canada's National Board of Directors and, most recently, was Audit Committee Chair for Points International (sold in 2022 to LeCaisse/Plusgrade) and Seven Generations Energy Ltd. Ms. Atkins is a past member of the executive committee and a current member of the mentoring committee of the Calgary Chapter of the Institute of Corporate Directors. She holds a Bachelor of Business Administration in Finance from Acadia University, and a Master of Business Administration from Dalhousie University. Ms. Atkins holds CPA and CA designations, as well as the ICD.D designation from the Institute of Corporate Directors. Ms. Atkins was awarded the FCPA/FCA in 2022 by the Canadian Institute of Chartered Accountants.

Board Committee Membership	2022 Meeting Attendance	
Board	9 of 9	100%
Audit (Chair)	5 of 5	100%
Risk	5 of 5	100%
Annual Meeting Voting Results	Percentage of Votes in Favour	
2022	99.67%	
Share Ownership ⁽¹⁾	Meets Shareholding Requirements	
144,532 shares and share equivalents - \$2,264,816	Met	
Current Public Board Directorships		
ARC Resources Ltd.		
Cameco Corporation		



Age: 53
Calgary, Alberta, Canada
Management Director
Director Since 2020
President and CEO

Terry M. Anderson B.SC, P.ENG.

Mr. Anderson was appointed President and Chief Executive Officer of ARC Resources Ltd. in 2020. In his role, Mr. Anderson has overall accountability for the Company's strategy and delivering strong financial, operational and ESG performance. He was appointed to the Board of Directors in May 2020. Mr. Anderson has more than 30 years' experience working in the North American energy industry. He joined ARC in 2000 and has held progressively senior roles including Senior Vice President, Engineering and Land, and Senior Vice President, Operations. From 2015 to 2020, he was ARC's Senior Vice President and Chief Operating Officer where he led the Company's Montney development and production activities in northeast British Columbia and northern Alberta. He holds a Bachelor of Science degree in Petroleum Engineering from the University of Wyoming.

Board Committee Membership	2022 Meeting Attendance	
Board	9 of 9	100%
Annual Meeting Voting Results	Percentage of Votes in Favour	
2022	99.80%	
Share Ownership ⁽¹⁾	Meets Shareholding Requirements	
426,257 shares and share equivalents - \$6,679,447		Met
Current Public Board Directorships		
ARC Resources Ltd.		

(1) Includes Common Shares and share equivalents held as of March 21, 2023. Share equivalents include Deferred Share Units ("DSUs") and Restricted Share Units ("RSUs") and LTRSAs for Mr. Anderson. The value is based on the March 21, 2023 closing share price of \$15.67.

Corporate Governance

We believe sound corporate governance builds trust with our stakeholders and is core to the success of our business. We take pride in our disciplined culture which is built on our values of respect, integrity, trust and community. These values are embraced at the Board level and extend throughout the organization.

Our high standard of business conduct and belief in doing what is right have been critical in building and maintaining ARC's reputation among shareholders, employees, business partners, government and regulatory partners, Indigenous communities, and other stakeholders. Strong governance practices promote effective decision-making at the Board level and across the organization.

Responsibilities of the Board

As ultimate stewards of the Company, the Board is responsible for overseeing ARC to ensure long-term success through execution of our strategy and guiding principles. The Board's key priorities are strategy, governance, and succession. These priorities encompass: strategic planning; risk management; financial and operational performance; culture and ethical business conduct; ESG oversight; Board composition, nomination and diversity; management succession planning and leadership development; Board effectiveness; and Director assessment and education. The specific duties of the Board are set out in the Board Mandate which is reviewed annually. See Appendix D of this information circular.

KEY PRIORITIES OF THE BOARD



Strategy

Strategic Planning and Financial & Operational Performance

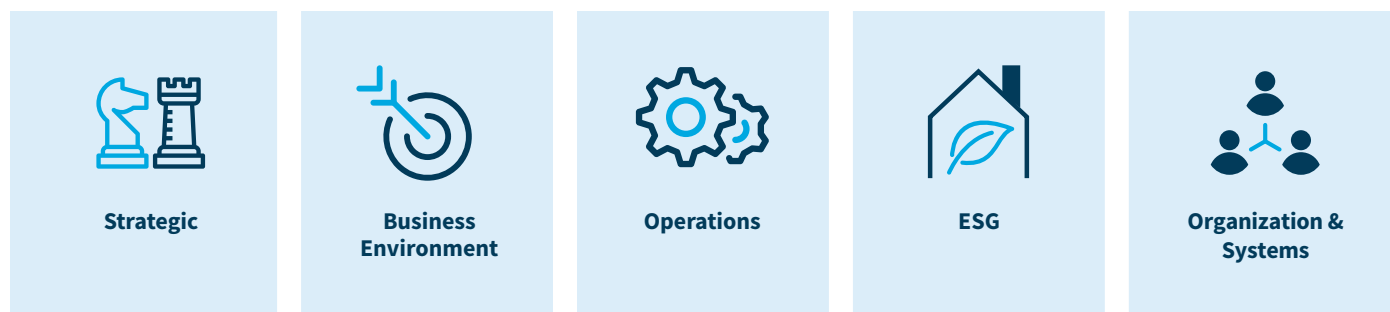
The Board provides oversight and guidance on the development and execution of ARC's strategic plan to achieve ARC's principal business objectives and identifies strategic, financial and operational opportunities and risks to ARC's business. Specifically, the Board approves the allocation of capital and sets objectives and performance metrics to monitor and assess the execution of the corporate strategy. Annually, Management recommends the budget for approval by ARC's Board for the following fiscal year. Any material changes to the budget through the year are reviewed and approved by the Board. ARC's financial and operational performance is formally reviewed every quarter by the Board and is continuously monitored by Management. The Corporate Scorecard is used as a tool to monitor and assess performance, as well as support ongoing communication with employees, Management and the Board. In addition, every Board meeting includes a discussion of ARC's strategic plans and a review of new strategic opportunities. Every year, the Board sets aside two days for a focused strategic planning session where the Directors and Management discuss strategic priorities, short-, medium- and long-term business risks, macroeconomic trends and commodity price outlook, capital allocation priorities, the Company's five-year development plan and commercial business development opportunities.

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 risk mitigation plans, systems, and procedures.

The Risk Committee assists the Board in meeting its responsibilities with respect to risk identification and reviews the actions taken to mitigate such risks. Management and the Board maintain a Business Risk Matrix that identifies risks to the organization and ranks them by severity and probability in the context of mitigation plans. The Business Risk Matrix forms the framework for identifying and assessing risks and mitigation strategies which is reinforced in our business principles and embedded in our culture. The Board regularly reviews the Business Risk Matrix, and each committee of the Board has defined responsibilities for risk oversight and mitigation as outlined in the committee mandates. For mandate details see ARC’s website at www.arcresources.com.

ARC monitors five categories of organizational risk:



Information Security and Cyber Risk

With specific reference to information security risk, the availability, capacity, reliability, and security of our information technology infrastructure is necessary for ARC to effectively conduct its business operations. Information security risk is a corporate risk subject to control and monitoring at various levels of the organization. The Board assigned information security risk to the Risk Committee and with the support of Management, that committee is responsible for the oversight of ARC’s internal controls regarding information security and its strategy to address and mitigate cybersecurity threats. Management provides a quarterly cybersecurity update to the Board through the Risk Committee. ARC’s cybersecurity program is modelled after industry standard frameworks and includes ongoing cybersecurity education and annual awareness training for all employees. Education and training comprised of testing and the periodic engagement of independent third parties to assess our risk, test our controls and measure the progress and maturity of our program against industry benchmarks. To date, ARC has not experienced any material security breaches.

Governance

Culture and Ethical Business Conduct

We believe that maintaining high standards of business conduct is essential to the long-term success of the Company. Our Code of Business Conduct and Ethics (the “Code”) reinforces our expectation that all Directors, Management, employees and Company representatives will conduct themselves with a high standard of professionalism and ethical behaviour. The Code specifically outlines the standards required for 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 is applicable to all Directors, Management, employees and contractors of the Company. On an annual basis, all Directors, Management, employees and contractors are required to read and sign off on their understanding of the Code.

In addition, ARC has a Code of Ethics for Senior Financial Officers and a quarterly certification process to ensure their compliance with ethical business conduct, financial reporting requirements and filings, and accurate reporting of operational results. This Code of Ethics for Senior Financial Officers is signed by the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) to indicate their compliance and reviewed by the Policy and Board Governance Committee each quarter. These documents can be referred to on ARC’s website at www.arcresources.com and under ARC’s SEDAR profile at www.sedar.com.

The Board has authority over significant strategic, financial, and operational decisions relating to:

- The determination of dividends paid on Common Shares.
- The allocation of capital and the approval of the annual budget, including material budgeted capital and operating expenditures and any material revisions to the budget occurring during the year.
- The establishment of credit facilities.
- The issuance of Common Shares.
- The implementation of Normal Course Issuer Bids (“NCIB”) and the repurchase and cancellation of common shares.
- The acquisition and disposition of properties exceeding amounts established by the Board.
- The long-term marketing, transportation, and hedging arrangements.
- CEO compensation and compensation plan enhancements or changes.
- The approval of financial reports and overseeing and monitoring internal control over financial reporting (“ICFR”).
- The appointment of Directors and Officers.

ESG Oversight

Responsible energy development and profitable returns have always defined how we do business at ARC. ARC’s stakeholders and Indigenous communities expect the Company to engage in responsible resource development and prioritize ESG matters. ARC has consistently demonstrated leading ESG performance in our industry and is recognized for our ESG practices. A comprehensive review of our objectives, standards, and performance in the areas of environmental, social and governance is published biennially in our ESG Report which is available on our website at www.arcresources.com. To identify these measures and their overall impact, we align to established international guidelines and standards including: the Global Reporting Initiative Sustainability Reporting Standards, the Sustainability Accounting Standards Board, and the Task Force on Climate-related Financial Disclosure, among others.

In 2022, to support ARC’s broader strategy and risk management framework, the Policy and Board Governance Committee conducted a formal review of the Board and Committee ESG oversight responsibilities. The following outlines the ESG oversight responsibilities for the Board, its Committees and Management:

Board ESG Oversight Responsibilities

- Overall ESG strategy and risk management
- Delegation of specific ESG responsibilities to committees
- Climate change and carbon emissions goals and measurement
- Energy transition
- Indigenous relations and social and diversity policies
- Government policy and regulation

Committee ESG Oversight Responsibilities

Policy & Board Governance	Safety, Reserves & Operational Excellence	Human Resources & Compensation	Audit	Risk
<ul style="list-style-type: none"> • Major Corporate and Governance related policies delegated to the Committee or not specifically in the remit of another committee • Code of Business Conduct and Ethics • Board composition, skills and succession • Corporate Governance structure, including committee mandates 	<ul style="list-style-type: none"> • Environment and Safety performance and targets and monitor performance • Operations impact on Communities (land use, air, water, road use, noise, induced seismicity) • Review material Indigenous relationships and community impact initiatives that have direct operational impacts • Lead committee to coordinate the ESG report for the Board 	<ul style="list-style-type: none"> • Social indicators: culture, succession planning, workforce, DE&I • Executive compensation decisions and determining and assessment of corporate scorecard performance metrics 	<ul style="list-style-type: none"> • Review of disclosure in quarterly and annual reporting and filings related to environmental, social and governance 	<ul style="list-style-type: none"> • Cybersecurity • Monitoring the process of corporate risks identification and mitigation strategies for the Board and as delegated to other committees

Management ESG Oversight Responsibilities

- Recommend ESG strategy, priorities and ESG related capital allocation decisions to the Board
- Report to the Board on ESG performance indicators and policy considerations
- Safe, responsible execution of business plans

Active Engagement with Shareholders

We regularly engage with our shareholders to build trust and ensure ongoing communication involving our corporate strategies and business plans and results. Management meets regularly with institutional shareholders and investment advisors, which includes one-on-one meetings and participation in investor conferences. Our Board Chair is also available to meet with shareholders as appropriate.

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

- Annual Meeting of Shareholders
- Hosting quarterly conference calls to communicate financial and operational results
- Publishing monthly investor presentations
- Disclosing quarterly financial reports and news releases
- Providing regular updates to ARC's website and social media channels
- Responding to investor enquiries through an electronic inbox and through a toll-free line for shareholders
- Managing a Board of Directors email (**Board@arcresources.com**)

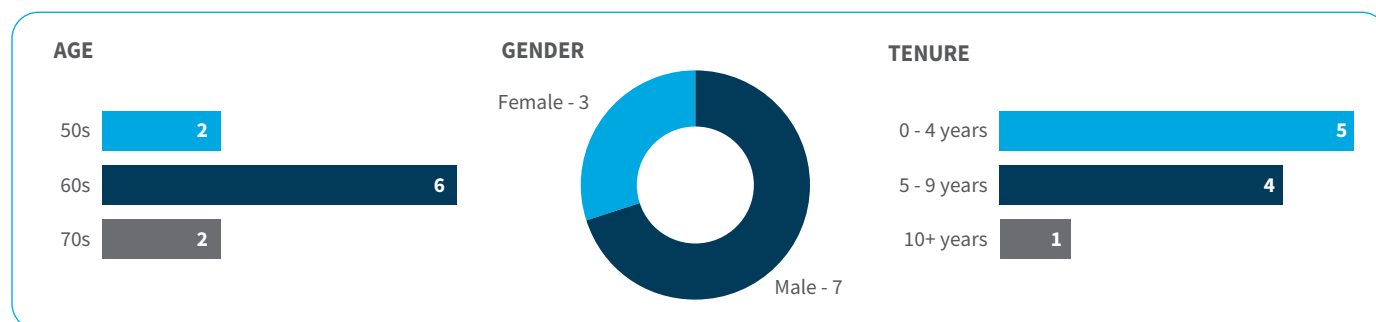
We also consider recommendations of proxy advisory firms and organizations that represent or advise shareholders on matters of governance, such as Institutional Shareholder Services, Glass, Lewis & Co., and the Canadian Coalition for Good Governance.

Board Composition, Director Nomination & Diversity

Board Composition

Achieving a balance between experience with deep knowledge of our business and fresh perspective is important. We believe it is critical that Directors understand our industry and our business, and bring skills and knowledge that will assist ARC in advancing its strategic objectives. We also believe that having a diverse board is critical to effective decision-making and broadening perspectives.

The composition of the members of the Board who have been nominated for election is displayed in the graphic below.



Director Independence

The Policy and Board Governance Committee which is comprised entirely of Independent Directors, reviews the composition of the Board and committees annually and is responsible for Director succession planning and for identifying and recommending new candidates to the Board. Independent Directors meet quarterly without Management present and have the opportunity to meet in camera after all meetings.

The Board has determined that the majority of the Directors (eight of the 10) standing for election are independent within the meaning of National Instrument 58-101 *Disclosure of Corporate Governance Practices*. All current Directors, except for Terry M. Anderson, the current President and CEO of the Company, and Marty L. Proctor, the former President and CEO of Seven Generations, are considered to be independent. It is ARC's practice that the Board Chair is independent. Details of the roles and responsibilities of the Board Chair are outlined in the Terms of Reference which is available on ARC's website at www.arcresources.com.

Material Interests and Related Party Transactions

In general, private investment activities of Directors are not prohibited; however, should a Director's existing investment pose a potential conflict of interest with their role as a Director of ARC, the Director is required to disclose it to the Board Chair and CEO. The Audit Committee is responsible for reviewing all related party transactions and ensuring the nature and extent of such transactions are properly disclosed.

Directors and Officers who have an interest in a material transaction, a proposed material transaction or a related party transaction with ARC must disclose the nature of their interest and may not vote on any resolution to approve such a transaction. Twice per year, Directors and Officers of ARC provide confirmation of material interests and related party transactions. As of the date of this information circular, there are no material transactions, proposed material transactions or related party transactions with ARC in which any Director or Officer has an interest.

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. Our nominated Directors currently do not serve on any common boards.

Board Committees

The Board performs its mandated responsibilities, in part, through the activities of the five committees outlined below. Each of the five committees has a specific mandate that is reviewed and approved annually and can be referred to on ARC's website at www.arcresources.com. Committees meet at least quarterly, and committee memberships are reviewed at least annually.

Committee	Current Members	Responsibilities
Audit	<ul style="list-style-type: none"> Leontine van Leeuwen-Atkins (Chair) Farhad Ahrabi Carol T. Banducci 	<ul style="list-style-type: none"> Reviews the Company's annual and quarterly financial statements and the financial information included in ARC's prospectuses, Management's Discussion and Analysis, information circulars, Annual Information Forms, financial press releases and investor presentations Recommends the appointment of, and provides oversight to, the external auditors and monitors their qualifications, independence, and performance Provides risk oversight of financial reporting and compliance, material interests and related party transactions Responsible for oversight of internal controls over financial reporting, which include those related to information systems and taxation matters, and the monitoring of whistleblower complaints
Human Resources & Compensation	<ul style="list-style-type: none"> David R. Collyer (Chair) Michael G. McAllister M. Jacqueline Sheppard 	<ul style="list-style-type: none"> Reviews the Company's compensation programs to ensure pay-for-performance alignment, market competitiveness and alignment with the interests' of ARC's shareholders Lead committee with oversight of the corporate scorecard including, the recommendation of determining and assessing performance metrics and targets Conducts an annual performance review of the CEO and provides recommendations to the Board of Directors on the compensation for the CEO Approves compensation decisions for all Named Executive Officers ("NEOs") Assesses and manages social indicators and risk related to workforce talent management, culture, hiring practices, Diversity, Equity and Inclusion, human rights, succession planning and compensation
Policy & Board Governance	<ul style="list-style-type: none"> M. Jacqueline Sheppard (Chair) Carol T. Banducci David R. Collyer 	<ul style="list-style-type: none"> Reviews the effectiveness of the Board of Directors, committees, and individual Board members through the annual assessment process, which includes a 360-degree assessment every second year Board recruitment, composition and skills, diversity and succession planning Oversight of major corporate and governance related policies delegated to the committee, including the Code of Business Conduct and Ethics Responsible for the corporate governance structure, including oversight of Board and Committee mandates

Committee	Current Members	Responsibilities
Risk	<ul style="list-style-type: none"> Farhad Ahrabi (Chair) William J. McAdam Marty L. Proctor Leontine van Leeuwen-Atkins 	<ul style="list-style-type: none"> Monitors the process for corporate risk identification and mitigation strategies of the principal business and financial risks of the Company Reviews the hedging mandate and policy to ensure compliance with ARC's strategic objectives Reviews policies, practices and training related to cybersecurity and information management risk Responsible for reviewing all material transportation commitments and commodity risk management
Safety, Reserves & Operational Excellence	<ul style="list-style-type: none"> Michael G. McAllister (Chair) David R. Collyer William J. McAdam Marty L. Proctor 	<ul style="list-style-type: none"> Reviews and monitors ARC's performance with respect to health, safety and environmental programs and activities Recommends environmental and safety performance metrics and targets Reviews the terms of engagement of independent reserves and resource evaluators, the conduct of reserves and resource evaluations and leads the annual reserves process Reviews the efficiency and effectiveness of base operating performance and capital execution Responsible for reviewing and monitoring operational excellence including the capital expenditure program, base operating performance, technology and innovation initiatives, material Indigenous relations and community operational impact such as land, air, water, and road use

2022 Changes – Board and Committee Membership

At the 2022 Annual Meeting Kathleen O'Neill did not stand for re-election. At this time Leontine van Leeuwen-Atkins became the Chair of the Audit Committee and Carol Banducci joined the Policy and Board Governance Committee and stepped down from the Risk Committee. We did not appoint a Vice Chair in 2022. Susan Jones stepped down from the Board on February 28, 2023.

Director Nomination Process

To ensure that the Board accesses a broad and diverse pool of the best qualified individuals, the Policy and Board Governance Committee retains an external search firm to help identify candidates for future Directors. The Policy and Board Governance Committee and the Board Chair evaluates prospective Director candidates' relevant skills and experience as it relates to the Director Skills Matrix, current Board composition, diversity, skills and competencies and future strategic plans of the organization. Once potential candidates have been determined, a comprehensive interview process is conducted which includes interviews with other Directors and the CEO. Each year, the Policy and Board Governance Committee reviews the list of Directors and their requisite skills and experience to be nominated for election at the Annual Meeting of Shareholders and recommends such nominees for approval by the Board.

Director Skills Matrix

The Board, led by the Policy and Board Governance Committee, reviews the experience, qualifications, and skills required for Directors so that the Board can meet the challenges of our business today and in the future. The Director Skills Matrix is maintained and used to identify areas for strengthening the Board, if necessary, and addressing any gaps through the recruitment of new members.

Below is the Director Skills Matrix, outlining the experience and knowledge of the Director nominees. All Board members have relevant and complementary experience in the components of our strategic priorities. The skills align with the key areas of ARC's strategy. Each Directors' top three areas of expertise are highlighted in green.

	Harold N. Kvisle	Farhad Ahrabi	Carol T. Banducci	David R. Collyer	William J. McAdam	Michael G. McAllister	Marty L. Proctor	M. Jacqueline Sheppard	Leontine van Leeuwen-Atkins	Terry M. Anderson
High-quality Assets & Operational Excellence										
Energy Industry: experience as a CEO or senior executive including commercial aspects of the business, oil and gas development and operations, technology & innovation, regulatory, marketing and strategy	✓	✓		✓	✓	✓	✓	✓	✓	✓
Reserves Evaluation: oil and gas reserves assessment and evaluation experience	✓	✓		✓	✓	✓	✓	✓	✓	✓
Profitable Capital Allocation: experience with complex capital allocation decision-making and analysis to enhance long-term value creation	✓		✓	✓	✓	✓	✓	✓	✓	✓
Health, Safety and Environment: direct experience and knowledge of industry regulations and best practices related to workplace health, safety and environment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Global Experience: senior executive international business experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Commercial Activities & Risk Management										
Strategic Planning: experience in leading and developing sustainable business strategies to create value and managing business development activities for short-term and long-term results	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Change Management: experience leading major organizational change and/or managing significant M&A activities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Commercial Activities: experience and knowledge of strategies to proactively leverage market access opportunities and leverage potential commercial opportunities via midstream and downstream businesses	✓	✓	✓	✓	✓	✓	✓		✓	✓
Decision Quality: proven track record in complex decision-making in the context of today's business environment and with consideration for the evolving market and societal context. Strong ability to work well with other Board members to reach decisions	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Risk Evaluation: experience in evaluating and managing a broad range of current and potential future business risks, including ESG factors	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial Sustainability & 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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
People & ESG Leadership										
ESG Oversight: experience or knowledge of the risks related to a broad range of environmental indicators (emissions, air, water), social indicators (culture, safety, Indigenous and community) 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, strong ethics and quality decision-making	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Public Policy/Government Relations: broad regulatory, political and public policy experience in Canada and other jurisdictions. Experience working with local, provincial, and federal governments directly or through experience as a senior executive in a major public company	✓		✓	✓	✓	✓	✓	✓		✓
Human Resources and Compensation: experience with responsibility for human resources, compensation design and decision-making, organizational design and culture, and succession planning	✓	✓	✓	✓	✓	✓	✓	✓		✓

Diversity, Equity & Inclusion Policy

It is important to ensure the Board is comprised of Directors who have diverse skills, thoughts, backgrounds and experiences. The Board is committed to our values of integrity and respect and ensuring we have a diverse, inclusive and equitable work environment where everyone feels they belong. The Board recognizes the benefits of diverse thoughts, skills and experience on culture, decision-making outcomes and overall corporate performance. We believe that diversity should be represented on the Board, in Management and throughout the organization to provide a broad range of perspectives and insights. In 2018, ARC was accepted as a member of the 30% Club, joining its campaign to increase gender diversity on boards and senior management teams. Accordingly, ARC has a formal Diversity, Equity & Inclusion Policy which includes a specific target to increase female representation on the Board and within the Management team to a minimum of 30 per cent by 2024. ARC achieved this goal in 2021 and as of December 31, 2022, the Board was comprised of 30 per cent female representation and the executive team was comprised of 36 per cent female representation. We are committed to our target of 30 per cent gender diverse representation on our Board and in Management through our Board and Management succession process going forward.

In 2022, we evolved our policy to expand our efforts in DE&I which can be found on our website at www.arcresources.com. We have a corporate goal of having a diverse, equitable and inclusive workplace where 100 per cent of our employees feel respected and that they belong. ARC took specific action toward this goal by forming an employee advisory team to partner with the executive team to prioritize key objectives and focus on areas that matter most to employees. In 2022, we conducted an anonymous self-identification survey with employees and the Board. This information will be used to inform and evolve our strategy in the coming years.

Our targets, and more importantly, our actions and results, reflect our commitment to a workplace that creates a sense of belonging and promotes diversity of thought to deliver high-quality decision-making and strong corporate performance.

Succession Planning and Leadership Development

Succession Planning

Led by the Human Resources and Compensation Committee (“HRC Committee”), the Board has responsibility for overseeing the Company’s succession planning for Management. Once a year, a succession planning meeting is held with the Board and the CEO, without other members of Management present, to discuss the progression, development, performance and capabilities of Management and to establish development plans for potential successors for key roles.

ARC believes that the development of executives from within the Company produces excellent leaders and strengthens our culture. The HRC Committee’s succession planning process involves working with the CEO to identify internal candidates, selecting development opportunities, and evaluating performance and progress. Included in our succession planning practices is a focus on ensuring we have a diverse pool of candidates for development. In addition, the Board has engaged independent executive coaching services to provide an objective evaluation of high-potential candidates and establish formal skills and capability development.

Consistent with our principles of proactive succession planning and maintaining an efficient organization, in 2022, Armin Jahangiri was promoted to Senior Vice President and Chief Operating Officer and Lara Conrad to Senior Vice President and Chief Development Officer. As well, Ryan Berrett and Lisa Olsen were promoted to Senior Vice Presidents. All Senior Vice Presidents report directly to the CEO. To further demonstrate our priority in developing internal candidates, Katherine Gomes was promoted to Vice President, Controller and Tejay Haugen to Vice President, Operations Planning. To learn more about the members of the Management team refer to the Annual Information Form or ARC’s website at www.arcresources.com.

Board Effectiveness, Director Assessment and Education

To ensure Board members, committees, and processes remain effective, a thorough evaluation of performance is conducted on an annual basis. Each Director completes an anonymous questionnaire, including an opportunity to provide feedback on the effectiveness of the Board and its committees. The results of the questionnaire are analyzed by the Policy and Board Governance Committee and Board Chair, who determine whether any changes are needed in Board processes, mandates, composition, or committee structure. While this is an ongoing discussion, the Board formally meets each year to review and discuss ways to improve the effectiveness and efficiency of the Board.

In addition to the annual questionnaire, every two years 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 the other Directors, including the Board Chair and the CEO. Once the assessment is complete, the Board Chair meets with each Director individually to engage in a two-way discussion with an emphasis placed on maximizing the contribution of each Director and continually improving the overall effectiveness of the Board.

Directors are recruited to join the Board 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. In addition, if a Director receives an inadequate assessment or is not open to feedback, the Board Chair will ask the Director to submit their resignation.

Director Education

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

The orientation process includes:

- One-on-one meetings with multiple Directors and executives
- Attendance at all 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 a Director
- Field visits to familiarize the Director with ARC's operations
- Training in the technology platforms used by the Board

Continuing education is an important requirement of our Directors. We reimburse Board members for attending external educational courses relating to corporate governance, financial literacy, ESG, or other related Board matters, as well as for membership dues for each of the Directors in organizations that support them in their role.

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

- Quarterly reports on operational and financial performance, accounting, technology and innovation, marketing, business development, ESG, human resources and corporate governance best practices and policy updates
- Guest speakers and external advisors to provide additional external perspectives
- An annual field visit to tour ARC's operations and meet employees
- Quarterly updates from each committee on best practices, industry benchmarking, trends, and policy updates
- Regular updates from ARC's legal counsel on material changes in securities regulations and corporate governance matters

During 2022, Directors collectively participated in more than 100 internal and external continuing education opportunities. All of ARC's directors are actively engaged in staying up-to-date with, among other things, trends in the energy industry, climate and emissions, social and governance topics, executive compensation, cybersecurity, the state of the economy, policy and regulatory developments, market fundamentals and socioeconomic issues that may affect ARC's business, operations, and financial condition.

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 the Company, shareholders and stakeholders. The Board reviews Director compensation annually by analyzing information circulars of ARC's peer group 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 Director compensation is competitive. For information on ARC's Director compensation peer group, see "Compensation Philosophy" in this information circular.

ARC's Director compensation program consists of both a cash and an equity-based component awarded 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 their compensation in the form of DSUs. DSUs vest immediately upon grant but cannot be redeemed until the holder ceases to be a Director. This reinforces long-term thinking, reduces unnecessary risk taking and aligns Director compensation with the interests of our shareholders. Each Director has until December 1st in the calendar year following the date on which they cease to be a Director to redeem their awards.

In 2022, we retained Mercer to review our current Director fees compared to our peers due to the increased size of ARC. ARC's Director fees had not increased since 2014. As a result of this review in Q2 2022, we increased our Board and Director retainers by approximately five per cent. The following table outlines the Board and committee retainer fee schedule for non-Management Directors prior to and after the adjustment.

Total Director Compensation

2022 Directors Fees	January – June	July – December
Cash Retainer:		
Board Chair	\$166,000	\$170,000
Board Member	\$ 88,000	\$ 92,000
Audit Committee Chair	\$ 10,000	\$ 10,000
Other Committee Chair	\$ 6,000	\$ 6,000
Equity Compensation	150% of Cash Retainer	150% of Cash Retainer
Total Director Compensation	40% Cash / 60% Equity	40% Cash / 60% Equity

The following table presents the total compensation paid to each non-Management Director in 2022.

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 N. Kvisle	\$ 168,000	\$ —	\$ 168,000	\$ 252,043	\$ —	\$ 420,043	\$ —	\$ 420,043
Farhad Ahrabi	\$ 90,000	\$ 6,000	\$ 96,000	\$ 144,002	\$ —	\$ 240,002	\$ —	\$ 240,002
Carol T. Banducci	\$ 90,000	\$ —	\$ 90,000	\$ 135,044	\$ —	\$ 225,044	\$ —	\$ 225,044
David R. Collyer	\$ 90,000	\$ 6,000	\$ 96,000	\$ 144,000	\$ —	\$ 240,000	\$ 95,966	\$ 144,034
Susan C. Jones	\$ 90,000	\$ —	\$ 90,000	\$ 135,000	\$ —	\$ 225,000	\$ 89,956	\$ 135,044
William J. McAdam	\$ 90,000	\$ —	\$ 90,000	\$ 135,000	\$ —	\$ 225,000	\$ 89,956	\$ 135,044
Michael G. McAllister	\$ 90,000	\$ 6,000	\$ 96,000	\$ 144,000	\$ —	\$ 240,000	\$ 95,966	\$ 144,034
Kathleen M. O'Neill ⁽³⁾	\$ 30,462	\$ 3,462	\$ 33,924	\$ 50,884	\$ —	\$ 84,808	\$ 33,905	\$ 50,903
Marty L. Proctor	\$ 112,500	\$ —	\$ 112,500	\$ 129,808	\$ —	\$ 242,308	\$ 96,876	\$ 145,432
M. Jacqueline Sheppard	\$ 90,000	\$ 6,000	\$ 96,000	\$ 144,002	\$ —	\$ 240,002	\$ —	\$ 240,002
Leontine van Leeuwen-Atkins	\$ 90,000	\$ 6,538	\$ 96,538	\$ 144,808	\$ —	\$ 241,346	\$ 72,360	\$ 168,986
Total	\$1,030,962	\$34,000	\$1,064,962	\$1,558,591	\$ —	\$2,623,553	\$574,985	\$2,048,568

(1) Excludes Mr. Anderson who was a Management Director during 2022.

(2) This amount is equal to approximately 150 per cent of the amount of the Total Cash Retainer Fees Earned and must be taken as DSUs.

(3) Ms. O'Neill stepped down from the Board on May 6, 2022, and her annual fees were pro-rated.

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 of December 31, 2022.

Director ⁽¹⁾	Number of DSUs	Estimated Payout Value of DSUs ⁽²⁾
Harold N. Kvisle	381,946	\$6,970,515
Farhad Ahrabi	91,653	\$1,672,667
Carol T. Banducci	16,618	\$ 303,279
David R. Collyer	101,687	\$1,855,788
Susan C. Jones	52,981	\$ 966,903
William J. McAdam	166,703	\$3,042,330
Michael G. McAllister	26,722	\$ 487,677
Marty L. Proctor	20,188	\$ 368,431
M. Jacqueline Sheppard	178,754	\$3,262,261
Leontine van Leeuwen-Atkins	125,762	\$2,295,157

(1) Excludes Mr. Anderson who was a Management Director during 2022.

(2) Calculated based on the closing price of the Common Shares on December 31, 2022, of \$18.25 multiplied by the number of DSUs on such date and adjusted to reflect dividends.

Director Share Ownership

In 2022, we increased our share ownership for Directors from three times the cash retainer to three times the total annual retainer (including equity). Directors have five years to attain these holdings. As of December 31, 2022, and as outlined below, all non-Management Directors meet or exceed the minimum share ownership requirement. Carol T. Banducci has until 2026 to attain the shareholding requirements. Management Directors are subject to separate share ownership requirements which are outlined in the CD&A section in 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 Annual Retainer ⁽³⁾	Meets Minimum Share Ownership Requirement
Harold N. Kvisle	2022	170,000	381,946	551,946	\$10,073,015	23	Yes
	2021	170,000	346,252	516,252	\$ 5,936,898	14	Yes
Farhad Ahrabi	2022	—	91,653	91,653	\$ 1,672,667	7	Yes
	2021	—	74,915	74,915	\$ 861,523	3	Yes
Carol T. Banducci	2022	—	16,618	16,618	\$ 303,279	1	No
	2021	—	2,925	2,925	\$ 33,638	0	No
David R. Collyer	2022	20,000	101,687	121,987	\$ 2,220,788	9	Yes
	2021	20,000	90,294	110,294	\$ 1,268,381	5	Yes
Susan C. Jones	2022	96,395	52,981	149,376	\$ 2,726,112	11	Yes
	2021	96,395	43,523	139,918	\$ 1,609,057	7	Yes
William J. McAdam	2022	88,641	166,703	255,344	\$ 4,660,028	20	Yes
	2021	124,838	153,962	278,800	\$ 3,206,200	14	Yes
Michael G. McAllister	2022	53,113	26,722	79,835	\$ 1,456,989	6	Yes
	2021	46,813	17,494	64,307	\$ 739,531	3	Yes
Marty L. Proctor	2022	232,801	20,188	252,989	\$ 4,617,049	20	Yes
	2021	459,947	11,058	471,005	\$ 5,416,558	24	Yes
M. Jacqueline Sheppard	2022	8,864	178,754	187,618	\$ 3,424,029	14	Yes
	2021	8,864	159,502	168,366	\$ 1,936,209	8	Yes
Leontine van Leeuwen-Atkins	2022	17,728	125,762	143,490	\$ 2,618,693	11	Yes
	2021	17,728	112,214	129,942	\$ 1,494,333	6	Yes

(1) The number of DSUs reflects dividends paid on Common Shares to December 31, 2022 or 2021.

(2) Value based on closing share price of Common Shares of \$18.25 on December 31, 2022 (\$11.50 on December 31, 2021).

(3) Based on total market value of Common Shares and share equivalents including DSUs.

Compensation Discussion and Analysis

Letter from the Chair of the Human Resources & Compensation Committee

On behalf of the HRC Committee, I am pleased to provide an overview of ARC's 2022 performance and of the resulting performance assessment and pay decisions made for the CEO and other NEOs of ARC.

2022 Performance and Pay Decisions

2022 was a very strong year for ARC. Following the transformative business combination with Seven Generations Ltd. in 2021, the priorities of the Company were to advance our strategic and operational priorities to increase shareholder value, and to better manage risk by leveraging our enhanced scale and commodity and geographic diversity. ARC's strengths arising from its more diversified asset portfolio and deep expertise in operational excellence were demonstrated over the past year, as ARC safely achieved record operational and financial performance despite significant inflationary pressure and the re-allocation of capital investment to the Kakwa asset in Alberta due to regulatory uncertainty in British Columbia. Importantly, ARC also advanced key strategic commercial opportunities and demonstrated strong ESG performance during 2022.



David Collyer
Chair, Human Resources &
Compensation Committee

Key Highlights of 2022 Performance:

- **Outstanding safety performance:** Through an extremely busy and complex operational year, achieved outstanding safety performance, lowering the frequency and severity of injury incidents.
- **Profitable execution of a \$1.4 billion capital expenditure program ⁽¹⁾:** Adjusted execution plans in real-time due to ongoing uncertainty in the BC regulatory environment and leveraged ARC's operational excellence expertise to optimize well and pad designs and achieve strong drilling results in Kakwa.
- **Record production and free funds flow:** Record production of 345,613 boe per day and strong commodity prices generated \$3.7 billion (\$5.60 per share) ⁽²⁾ of funds from operations ⁽³⁾ and \$2.3 billion (\$3.42 per share) ⁽⁴⁾ of free funds flow ⁽⁵⁾. Strong balance sheet at 0.4 times ⁽³⁾ net debt to funds from operations.
- **New business opportunities:** Entered into a long-term natural gas supply agreement with Cheniere Energy, Inc. ("Cheniere") to deliver natural gas through existing pipeline capacity for export to global markets via LNG capacity in the US Gulf Coast.
- **Enhancing revenues:** Ongoing market diversification resulted in an average annual realized natural gas price of \$8.15/Mcf (47 per cent higher than the average AECO 7A Monthly Index price).
- **Shareholder returns:** Returned \$1.6 billion, or 71 per cent of free funds flow to shareholders.
- **Reserves replacement:** 15th consecutive year of replacing greater than 140 per cent of proved plus probable ("2P") reserves.
- **ESG Leadership:** In January 2023, ARC received certification under Equitable Origin's EO100TM Standard for Responsible Development for its Ante Creek asset, resulting in 100 per cent of ARC's assets now certified under this global standard and representing the largest certified upstream production base in Canada.

An overview of ARC's compensation methodology and process, along with a more detailed description of 2022 performance achievements can be found in the following section. Details regarding Mr. Anderson's and other NEO's compensation for 2022 are also provided.

Following a comprehensive review of the year-end results relative to the targets established for 2022, the Board approved an overall Corporate Scorecard performance assessment score of 1.8 (in the range of "Outperform" to "Outstanding"). The HRC Committee and the entire Board are very positive about the results delivered by the ARC team and consider this scorecard assessment to be very well-aligned with ARC's overall 2022 performance.

2022 Compensation Plan

As was highlighted in my letter last year, with the business combination in 2021, ARC undertook a review of our compensation plan to ensure the design was appropriate in light of the larger size of the Company and the evolving external context in which ARC is operating. The result of the review was that much of ARC's existing compensation programs and processes continued, with some enhancements being implemented in 2022.

The following enhancements were implemented in 2022:

- Continued use of one holistic corporate scorecard with the four existing strategic performance areas. Specific weightings have been applied to the strategic performance areas for both short-term and long-term incentives. Performance metrics have been refined and are more clearly designated to determine short-term incentives (i.e., annual bonus payments) and/or long-term incentives (i.e., the Performance Share Unit ("PSU") performance multiplier). With this change, a transition period for outstanding PSU grants will extend to 2024;
- Introduced an annual bonus design that is more consistent with market practice, whereby corporate performance determines the funding multiplier and introduced executive bonus weightings that are applied on the basis of 80 per cent to corporate performance and 20 per cent to individual performance; and
- Discontinued the granting of LTRSA for 2022 and beyond, with previously granted awards continuing to vest on schedule.

Summary

The CD&A set forth in the following pages outlines in detail our 2022 compensation plan and governance practices, our 2022 performance, and the basis for our decisions regarding executive compensation. We encourage you to read these materials, as they include information relevant to your "say on pay" vote. We have consistently received strong shareholder support of our approach to executive compensation and at the 2022 Annual Meeting, received a favourable "say on pay" vote of 96.68 per cent. Based on the Company's results in 2022, we strongly believe that the Board decisions regarding executive compensation reflect competitive market positioning and alignment with these performance outcomes.

We welcome and will consider all feedback from our shareholders. Please feel free to contact me at Board@arcresources.com, Attention: David Collyer.

Sincerely,



David Collyer
Chair, Human Resources & Compensation Committee

- (1) Non-GAAP financial measure that is not a standardized financial measure under IFRS and may not be comparable to similar financial measures disclosed by other issuers. The most directly comparable GAAP measure for capital expenditures is cash flow from investing activities. See "Non-GAAP and Other Financial Measures" in ARC's MD&A as at and for the three months and year ended December 31, 2022 (the "2022 Annual MD&A"), available on ARC's website at www.arcresources.com and under ARC's SEDAR profile at www.sedar.com, for information relating to this non-GAAP financial measure which information is incorporated by reference into this information circular.
- (2) See "Non-GAAP and Other Financial Measures" in the 2022 Annual MD&A for an explanation of the composition of this supplementary financial measure, which information is incorporated by reference into this information circular.
- (3) For information on this capital management measure refer to Note 16 "Capital Management" of ARC's audited consolidated financial statements as at and for the year ended December 31, 2022 (the "financial statements") and to the section entitled "Non-GAAP and Other Financial Measures" in the 2022 Annual MD&A for information relating to this capital management measure, which information is incorporated by reference into this information circular.
- (4) Non-GAAP financial ratio that is not a standardized financial measure under IFRS and may not be comparable to similar financial measures disclosed by other issuers. Includes the non-GAAP financial measure component free funds flow. See "Non-GAAP and Other Financial Measures" in the 2022 Annual MD&A for an explanation of the composition of this non-GAAP financial ratio, which information is incorporated by reference into this information circular.
- (5) Non-GAAP financial measure that is not a standardized financial measure under IFRS and may not be comparable to similar financial measures disclosed by other issuers. The most directly comparable GAAP measure for free funds flow is cash flow from operating activities. See "Non-GAAP and Other Financial Measures" in the 2022 Annual MD&A for information relating to this non-GAAP financial measure which information is incorporated by reference into this information circular.

Compensation Governance

ARC is committed to ensuring that the design of our compensation programs motivate and reward the appropriate behaviours to deliver performance on business objectives and our long-term strategy. Compensation is designed to be market competitive, motivate and reward performance, and reinforce the business strategy, organizational culture, and priorities of the Company and align with the experience of shareholders.

The Board and the HRC Committee provide risk oversight of the Company's compensation plans. The HRC Committee is committed to strong governance and reviews the risk implications of ARC's compensation policies and practices annually. The HRC Committee has not identified any risks that are likely to have a materially adverse effect on the Company.

The following table summarizes the key governance features of our 2022 compensation policies and practices:

What We Do
<p>✓ Defined Mandate of the HRC Committee:</p> <ul style="list-style-type: none"> The HRC Committee consists of all independent directors who are experienced and qualified The HRC Committee and the Board assesses compensation against a corporate scorecard and individual executive performance annually The HRC Committee benchmarks executive compensation against ARC's executive compensation peer group to understand market practices and rewards An independent, third-party consultant is engaged to review and advise on compensation recommendations All elements of executive compensation are reviewed and approved by the HRC Committee and, where applicable, the Board prior to payments being made
<p>✓ Pay-for-performance and Significant At-Risk Pay:</p> <ul style="list-style-type: none"> All executives participate in the same compensation plan Executives have a significant portion (approximately 75 per cent) of their total compensation that is "at-risk" Approximately 50 per cent of total compensation is made up of long-term incentives. PSUs have a minimum performance threshold, which, if not achieved, results in zero payment and have a maximum performance threshold of two times. PSUs vest after three years and are linked directly to defined performance metrics and to relative total shareholder return ("TSR") against the PSU peer group Performance is measured based on individual and corporate performance through the use of defined performance metrics and targets as identified in the corporate scorecard and relative TSR against a defined peer group Bonus decisions and payments are not awarded until year-end results have been approved by the Board and released to shareholders
<p>✓ Share Ownership Guidelines and Post-retirement Hold Periods:</p> <ul style="list-style-type: none"> Directors are required to hold three times their annual total retainer including equity in ARC shares or share equivalents The CEO is required to hold five times his base salary in ARC shares or share equivalents Senior Vice Presidents are required to hold three times their base salary in ARC shares or share equivalents. All other executives are required to hold two times their base salary The CEO is required to hold five times his base salary in shares or share equivalents for one-year post-retirement RSUs and PSUs continue to vest following retirement, creating an inherent post-retirement hold period
<p>✓ Risk Mitigation, Clawback and Anti-hedging Policy:</p> <ul style="list-style-type: none"> ARC has an executive Clawback Policy that permits the Board to recoup cash bonuses and other incentive compensation paid or awarded to an Officer in the event of willful misconduct or fraud on the part of an Officer and/or restatement of financial statements resulting in excess incentive compensation being paid to our Officers in prior periods ARC's Disclosure & Insider Trading Policy prohibits Officers from purchasing financial instruments for their own account that are designed to hedge or offset a decrease in market value of ARC's securities held by our Officers, directly or indirectly
<p>✓ Change of Control Agreements:</p> <ul style="list-style-type: none"> All long-term incentives plans have a double trigger upon a change of control All executives have an employment agreement that outlines the terms of their employment arrangement and ARC's obligations in the event of a termination or change of control event. Change of control events include a double trigger for termination benefits

What We Do Not Do

- ✗ No executive employment contracts have multi-year guaranteed pay increases, bonus awards or long-term incentive grants
- ✗ No change of 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. ARC suspended Share Option grants in 2019
- ✗ No payment of dividends on long-term incentives prior to vesting
- ✗ No pension plan

Clawback Policy

In 2019, we implemented an executive Clawback Policy that permits the Board to recoup cash bonuses and other incentive compensation paid or awarded to an Officer in the event that Officer engaged in willful misconduct or fraud which had a detrimental effect on the Company or its subsidiaries or required the Company to restate its financial statements and such conduct caused the need for the restatement. In addition, the Clawback Policy also authorizes the Board to recoup cash bonuses and other incentive compensation awarded to our Officers if, regardless of fault on the part of any one Officer, the Company is required to restate its financial statements and the Board determines that less incentive compensation would have been paid to the Officers based on the restated financial results.

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 their base salary for one-year post-retirement. In addition, ARC has an inherent hold period because RSUs, PSUs, Share Options and LTRSAs continue to vest on schedule after retirement minimizing any motivation to drive short-term share price increases.

Disclosure & Insider Trading Policy and Hedging Prevention

ARC has adopted a Disclosure & Insider Trading 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 & Insider Trading Policy also documents ARC's disclosure policies and practices 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 those Directors, executives, and employees of ARC, with limited exception, who 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 Requirements

ARC has ownership requirements for its executives to further align executive and shareholder interests. The minimum share ownership requirement for the CEO is five times base salary and for senior executives, three times base salary. The share ownership requirement for remaining officers is two times base salary. Executives have five years to accumulate the minimum number of shares and/or share equivalents that are required. All NEOs currently exceed the minimum share ownership requirement.

The following table details the ownership holdings of ARC's NEOs and their requirements as of December 31, 2022:

Officer	Required Share Ownership as a Multiple of Base Salary	Number of Shares as of December 31, 2022 ⁽¹⁾	Value as of December 31, 2022 ⁽²⁾	Multiple of Base Salary	Meets Minimum Share Ownership Requirement
Terry Anderson	5	449,221	\$8,198,283	13	Yes
Kristen Bibby	3	198,394	\$3,620,691	8	Yes
Armin Jahangiri	3	101,769	\$1,857,284	5	Yes
Larissa Conrad	3	141,086	\$2,574,820	7	Yes
Ryan Berrett	3	85,892	\$1,567,529	4	Yes

(1) Includes all shares owned as well as all RSUs, and LTRSAs including accumulated dividends.

(2) Based on the December 31, 2022 closing price for ARC's Common Shares of \$18.25.

The following table details the holdings of our CEO as of December 31, 2022. Mr. Anderson holds over five times his base salary in common shares alone:

Element	Number of Shares as of December 31, 2022 ⁽¹⁾	Value as of December 31, 2022 ⁽²⁾⁽³⁾
Common Shares (Privately Held)	177,806	\$ 3,244,960
Restricted Share Units	195,582	\$ 1,383,952
Long-term Restricted Share Awards	75,833	\$ 3,569,371
Total Common Share & Share Equivalents	449,221	\$ 8,198,283
Performance Share Units	936,400	\$ 16,132,147
Share Options	251,379	\$ 1,082,470
Total	1,637,000	\$25,412,900

(1) Includes all shares owned as well as all RSUs, PSUs and LTRsAs including accumulated dividends.

(2) Based on the December 31, 2022 closing price for ARC's Common Shares of \$18.25.

(3) PSUs are valued using the performance multipliers as of December 31, 2022.

Compensation Advisors

An independent, third-party consultant is solicited to ensure compensation recommendations are competitive and market-based.

The HRC Committee has retained Mercer and other compensation advisory firms to provide advice and analysis on compensation matters. From time to time, Management also engages Mercer and depending on the scope of the project, seeks approval from the HRC Committee. 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 worked with Mercer since 2004. In 2022, Mercer was engaged to review ARC's Executive Compensation Peer Group, executive and Director compensation recommendations and provide an annual recommendation for CEO compensation. In 2021, following the Business Combination, the HRC Committee engaged Hugessen and Mercer on several compensation matters, including the review of the executive compensation peer group criteria, executive compensation, compensation market practices, advice related to the compensation plan review and recommendations for disclosure enhancements. Hugessen was engaged to provide an independent perspective and expertise on disclosure, as both ARC and Seven Generations used Mercer as their established compensation advisor.

The fees paid to Marsh & McLennan Companies, Inc. for executive compensation and insurance services, as well as the fees paid to Hugessen Consulting Inc. are summarized below.

Fees Paid & Insurance	2021	2022
Mercer – Executive Compensation-Related Fees	\$ 179,418	\$ 143,180
Marsh Canada – All Other Fees ⁽¹⁾	\$ 5,662,528	\$ 1,958,734
Total – Marsh & McLennan Companies, Inc.	\$5,841,946	\$2,101,914
Hugessen – Executive Compensation-Related Fees	\$ 173,725	\$ 3,005

(1) All Other Fees pertain to insurance services.

Compensation Philosophy

ARC's executive compensation programs are designed to:

- Provide market competitive compensation to attract, retain and motivate executives to drive superior forward-looking performance;
- Reward executives for achievement of defined individual and corporate performance objectives (pay-for-performance) which align with, and reinforce, the business strategy, organizational culture, and operational priorities of the Company; and,
- Align the interests of executives with the interests of stakeholders and demonstrate that compensation is tied to performance and the experience of the shareholder (pay at-risk, realized versus granted compensation).

Market Competitiveness

ARC has been successful largely due to its ability to attract, retain, and motivate experienced and talented executives. We have designed a competitive compensation plan in which executive total compensation is targeted around the median of ARC's executive compensation peer group with the opportunity for realized pay to be above median, commensurate with individual and corporate performance.

To determine executive compensation, the HRC Committee reviews the peer group benchmarking data which is used to determine annual compensation targets and pay mix based on each executive's role and responsibilities and reviews ARC's performance compared to this peer group. Benchmarking data is gathered from the executive compensation peer group's information circulars and the HRC Committee consults with Mercer on their compensation data and to understand market trends. Annually, executives' base salary, bonus and long-term incentive ("LTI") targets are determined and unvested LTI is reviewed. Executive compensation decisions are approved by the HRC Committee, except for the CEO, whose compensation is recommended by the HRC Committee to the Board for approval.

Executive Compensation Peer Group

The executive compensation peer group is determined by comparing ARC's production, revenue and enterprise value to all Canadian upstream and integrated energy companies publicly traded on the Toronto Stock Exchange ("TSX"), limited to those companies that are one quarter to four times the size of ARC. Currently, ARC's size is just above the median of this peer group. The HRC Committee reviews and approves this peer group annually. The 2022 peer group is the same as the one used to determine 2021 compensation except for Inter Pipeline was removed as they were delisted in 2022 and Baytex Energy Corp. and Pembina Pipeline Corp. were added.

Based on the selection criteria and process outlined above, ARC's 2022 executive compensation peer group consisted of the following 16 companies:

Baytex Energy Corp.	Ovintiv Inc.
Canadian Natural Resources Ltd.	Paramount Resources Ltd.
Cenovus Energy Inc.	Peyto Exploration & Development Corp.
Crescent Point Energy Corp.	Pembina Pipeline Corp.
Enerplus Corp.	Suncor Energy Inc.
Imperial Oil Ltd.	Tourmaline Oil Corp.
Keyera Corp.	Vermilion Energy Inc.
MEG Energy Corp.	Whitecap Resources Inc.

Pay-for-performance

We believe that linking executive pay directly with defined corporate and individual objectives encourages performance and reinforces our business strategy, organizational culture, and operational priorities of the Company. We use a deliberate, disciplined process to determine individual and corporate performance targets and holistically measure the overall performance for the Corporation. This disciplined approach underscores ARC's commitment to good governance and alignment with shareholder interests.

Specifically, ARC uses a corporate scorecard to create clarity and focus for the Company on key deliverables to advance ARC's strategy. Equally important, the corporate scorecard creates frequent and in-depth conversations amongst the Board, Management, and employees throughout the year.

For the purposes of compensation, one holistic corporate scorecard is used to measure performance for the annual bonus program (STI) and to determine the performance multiplier for PSU payments (LTI). Specific performance metrics and targets are assigned to short-term incentives (STI) and long-term incentives (LTI).

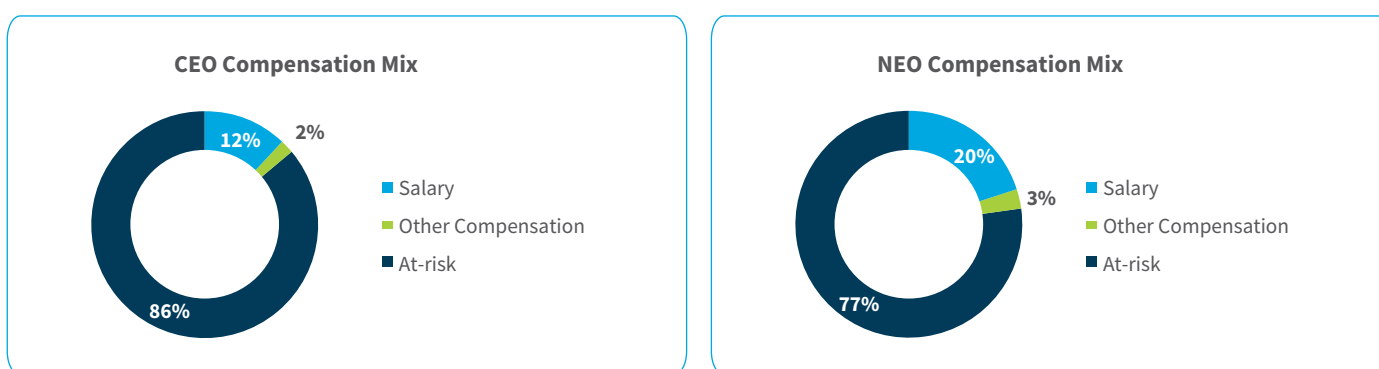
- The corporate scorecard is designed to align with the four areas of our corporate strategy as ARC's business strategy is comprehensive and considers all aspects of the business today and in the future. The four strategic areas are: High-quality Assets & Operational Excellence; Commercial Activities & Risk Management; Financial Sustainability & Return on Investment; and People & ESG Leadership.
- Within the four strategic areas, performance metrics are determined, and targets are approved by the Board with input from the HRC Committee and other Committee Chairs once the Company's budget and business plan have been approved. Performance metrics and targets are intended to advance ARC's business plan and strategy and include operational measures; financial measures, including relative total shareholder returns; ESG and talent measures and commercial and business development measures.
- Within one scorecard, the performance metrics and targets are assigned to short-term incentives and long-term incentives and different weightings are used for short-term and long-term metrics. Performance metrics and targets designated to short-term incentives are determined annually. Performance metrics and targets designated to long-term incentives are determined at the start of the three-year performance period. All performance metrics and targets are approved by the Board.

- The assessment of the corporate scorecard includes quarterly conversations with the Board to provide frequent information on corporate performance. At year-end, the CEO prepares a comprehensive report for the Board that provides the details of the Company's annual accomplishments against all performance metrics and targets. The HRC Committee provides a preliminary assessment and recommendation to the Board that considers performance accomplishments in each of the four strategic areas and assigns a score to each area, which is then aggregated to determine the final performance assessment score for the period.

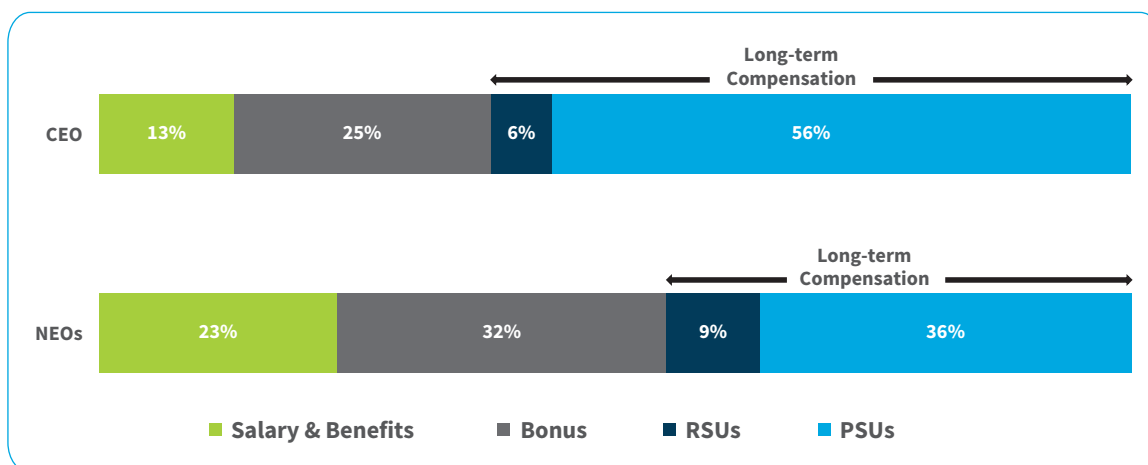
Alignment with Shareholders

The majority of ARC's executive compensation is variable and at-risk to create alignment with company performance and with the interests of our shareholders. The at-risk components are the annual bonus, RSUs and PSUs. ARC's compensation programs are designed to pay above target for superior performance and below target if performance targets 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. In 2022, approximately 86 per cent of the CEO's compensation and an average of 77 per cent of other NEO's compensation was considered to be at-risk. At-risk pay includes bonuses and RSU and PSU awards.



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



Elements of Compensation

Base Salary

Base salaries are intended to be market competitive and fixed compensation is set to attract and retain talent. In determining base salaries, the executive's role responsibilities, skills and experience are considered. ARC targets base salaries at the median of the market.

Annual Bonus

ARC's annual bonus program is designed to encourage and reward the achievements of defined short-term corporate and individual performance targets. The bonus program is at-risk and not guaranteed. Annual bonus targets are set around the median of the peer group based on the executive's performance, scope of responsibility and experience. In determining bonus awards, executives are assessed based on individual performance (20 per cent weighting) and corporate performance (80 per cent weighting) measured through the corporate scorecard.

Long-term Compensation

Our long-term compensation is comprised of RSU and PSU awards.

Restricted Share Units

ARC's RSU awards are designed to reward achievement of absolute share price performance, to encourage retention and to align executives with the interests of shareholders. Annual grant levels are determined based on the responsibilities of the executive, comparative market data and an assessment of the performance and are approved by the HRC Committee and, where applicable, the Board. Allocation of the RSU award is 10 per cent for the CEO and 20 per cent for the other executives of the total long-term incentive award.

RSUs vest one-third per year over a three-year period, 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 PSU awards are designed to reward for achievement of long-term defined corporate performance metrics and targets, including total shareholder return on an absolute and relative basis. Annual grant levels are determined based on the responsibilities of the executive, comparative market data and an assessment of the performance and are approved by the HRC Committee and, where applicable, the Board. Allocation of the PSU award is 90 per cent for the CEO and 80 per cent for the other executives of the total long-term incentive award.

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. The performance multiplier is intended to provide meaningful upside for above target performance and substantive downside in the event of underperformance. For PSU grants effective 2022, the PSU performance multiplier is determined based on the assessment of the long-term incentive performance metrics and targets within the corporate scorecard at the end of the three-year period. The LTI performance metrics include key strategic objectives and an assessment of relative TSR compared to our PSU peer group which is weighted at 50 per cent. The PSU peer group is determined at grant based on all upstream and integrated companies traded on the TSX with production greater than 50,000 boe/day. The performance multiplier ranges based on a scale from zero to two times.

For outstanding PSU grants made prior to 2022, a transition process for calculating the PSU performance multiplier has been applied.

The transition period only applies to the 2020 and 2021 grants that are vesting in 2023 and 2024. For these grants, the scorecard component of the performance multiplier calculation is weighted as 50 per cent of the overall assessment based on an average of an annual assessment over the three-year period. The remaining 50 per cent is weighted to relative TSR compared to the peer group at the end of the three-year period. For the remaining scorecard periods outstanding (one-third of the 2020 grant and two-thirds of the 2021 grant), the assessment is conducted annually based on the STI metrics established for the year in each of the four strategic areas. A qualitative overlay of the newly established LTI targets for the performance period is also conducted to determine whether results in these areas would materially change the annual assessment.

Legacy Plans

As part of the Business Combination, ARC assumed all outstanding Seven Generations long-term incentive plans which consisted of RSUs, PSUs and Share Options. Seven Generation shares were exchanged for ARC shares. The Seven Generations RSU plan is consistent with ARC's and units vest one-third annually over a three-year timeframe. PSUs differ from ARC in that units vest one-third annually over a three-year timeframe. All outstanding Seven Generations RSU and PSU awards will be vested by the end of 2023.

At the close of the Business Combination, all outstanding Share Options vested. These options have a ten-year term, and the last grant was awarded in 2019.

ARC previously granted Share Options and LTRSA's. The share option program was suspended in 2019 and the LTRSA in 2021, all previously granted awards continue to vest on schedule. The Share Options have a seven-year term and the LTRSA's have a ten-year term.

Other Compensation

ARC offers all employees a comprehensive benefits program for employees, including executives. In addition, ARC provides all employees with a Company match through the savings plan. ARC provides all employees with a two times match of up to six 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.

2022 Performance & Corporate Scorecard Assessment

ARC uses the Corporate Scorecard to create clarity and focus for the Company to advance ARC's strategy and for facilitating frequent, in-depth conversations amongst the Board, Management, and employees throughout the year. The Corporate Scorecard is designed around the four strategic areas of ARC's strategy and the successful achievement of the targets within the corporate scorecard is a key measurement of the Company's success. The scorecard provides the Board with a structured framework to assess performance against defined performance metrics and targets, while also applying necessary judgment to arrive at the final performance assessment.

The HRC Committee, with input from other Committee Chairs, reviewed the Company's 2022 annual accomplishments against the performance targets established for the year. This assessment considers the performance and weighting in each of the strategic areas, which is then aggregated to determine the final performance assessment score. Key 2022 performance accomplishments were strong safety performance, record financial performance, efficient and profitable execution of the record capital budget in a highly complex year, achievement of production and operating expense performance targets within guidance, and continued very strong market diversification performance results.

With the newly established scorecard process for 2022, the HRC Committee assessed the achievements of the performance metrics associated with STI, as indicated in the chart below. A qualitative overlay of the newly established controllable LTI targets for the performance period was also conducted, excluding relative total shareholder return performance, which is measured at the end of the period, to determine if results in these areas would materially change the overall assessment. The HRC Committee reviewed its preliminary performance assessment with the Board. In the context of the holistic assessment of ARC's performance in 2022, a final scorecard assessment of **1.8** (in the range of "Outperform" to "Outstanding") out of a maximum of 2.0 was approved by the Board.

The table below provides an overview of ARC's 2022 key performance deliverables and scorecard assessment. Performance is evaluated on a range from 1.0 ("Perform") to 2.0 ("Outstanding"), with "Outperform" being a multiple of 1.5.

Strategic Area: High-quality Assets & Operational Excellence

High-quality Assets & Operational Excellence was assessed at an overall rating of Outperform +. ARC achieved record production with a 14 per cent increase from average daily production in a year that faced several operational complexities. Project execution across ARC's asset base was outstanding and capital expenditures, operating expenses and production were within the approved guidance range. In addition, Management leveraged expertise in development planning to shift capital into Alberta, had strong reserves performance and introduced several innovative solutions using technological advancements in its operations.

Category overall score: 1.7 out of 2.0

Performance Metrics Weighting: STI - 40% / LTI - 20%	Target	Result	Key Performance Highlights
Production (boe/day) (STI/LTI)	340,000 – 350,000	345,613	<ul style="list-style-type: none"> Delivered record average annual production of 345,613 boe per day, which is a 14 per cent increase from 2021. Production per share increased eight per cent compared to year-end 2021.
Operating Expenses (\$/boe) (STI/LTI)	\$4.00 – \$4.50	\$4.44	<ul style="list-style-type: none"> Operating costs were in line with the target range. Effective management of cost pressures due to inflation and high turnaround and maintenance activities.
Quality of Execution (STI/LTI)	Safe, efficient execution	\$1.4 billion Projects on time/on budget	<ul style="list-style-type: none"> Safely and efficiently executed a \$1.4 billion capital expenditure program, including the optimization of well and pad design to achieve business targets while managing risks such as supply chain interruptions and inflationary pressures. Considerable cost-avoidance opportunities created by inflationary pressure through contract negotiations and design optimization, to reduce costs and improve the efficiency of execution.
Development Planning (STI/LTI)	Advance business through enhancements	Outstanding	<ul style="list-style-type: none"> Proactive management and development planning to recognize early the complexities of northeast British Columbia permitting delays and avoidance of impact to business plans.
Technology & Innovation (STI/LTI)	Leverage new technology and innovation initiatives	Outperform	<ul style="list-style-type: none"> Applied new technologies and innovations that created capital cost savings/avoidance and supported environmental objectives. Several advancements in data analytics, clean technology and innovation initiatives and other automation projects.

Strategic Area: Commercial Activities & Risk Management

Commercial Activities & Risk Management was assessed at an overall rating of Outperform +, reflecting strong market diversification performance and optimization of existing marketing contracts. Strategic objectives were advanced through initiatives to secure positions in long-term LNG markets, including ARC entering into a long-term natural gas supply agreement with Cheniere Energy Inc.

Category overall score: 1.7 out of 2.0

Performance Metrics Weighting: STI – 15% / LTI: 15%	Target	Result	Key Performance Highlights
Market Access & Commodity Risk Management (STI)	Assessment of delivery of profitable price per barrel and risk management	Incremental diversification revenue and strategic advancements	<ul style="list-style-type: none"> Optimized marketing contracts to capture incremental revenue and capitalize on strong commodity prices. Generated incremental diversification revenue through strategic market access in the US Midwest and Pacific Northwest markets. Entered into long-term natural gas supply agreement with Cheniere Energy, Inc. Executed risk management program to protect our balance sheet and capital program.
Strategic Business Development Plan (LTI)	Advancement of long-term upstream and downstream business development	Key advancement measured at the end of the three-year period	<ul style="list-style-type: none"> Advanced several key initiatives in the areas of long-term upstream, downstream and new ventures strategies.

Strategic Area: Financial Sustainability & Return on Investment

Financial Sustainability & Return on Investment was assessed at an overall rating of Outstanding. ARC delivered record financial performance and increased returns to shareholder through a balanced capital allocation approach including reducing debt, increasing the dividend and repurchasing shares.

Category overall score: 2.0 out of 2.0

Performance Metrics Weighting: STI – 25% / LTI: 50%	Target	Result	Key Performance Highlights
Net Debt to Funds from Operations (STI)	≤1.5x	0.4x	<ul style="list-style-type: none"> Proactively reduced net debt by \$0.5 billion and net debt to funds from operations to 0.4 times.
Funds From Operations per Share (STI)	Internal performance range with normalized pricing	Exceeded high end of the performance range	<ul style="list-style-type: none"> Generated record \$3.7 billion (\$5.60/share) of funds from operations based on market prices and exceeded high end of internal target using normalized prices and \$2.3 billion (\$3.42/share) of free funds flow. Normalized price is used for the internal metric only to remove the effect of commodity market price change during the period. Distributed \$1.6 billion (\$2.43 per share) of free funds flow to shareholders by increasing the dividend by 50 per cent to \$0.15 per share per quarter and repurchasing 74.6 million shares through Normal Course Issuer Bids.
Relative TSR vs. Peer Group (LTI)	Top-quartile performance	Measured at the end of the three-year period	<ul style="list-style-type: none"> 2022 total shareholder return was 63 per cent. ⁽¹⁾

Strategic Area: People & ESG Leadership

People & ESG Leadership was assessed at an overall rating of Outperform +. Environmental and safety performance were strong and exceeded targets, particularly with respect to severity indicators. Exceptional feedback was received on our ESG strategy, performance and the combined ESG Report communicated in the third quarter. Increased focus on people and culture following the Business Combination to support alignment on our organizational purpose, strategy and culture. Several key advancements to our people strategy objectives.

Category overall score: 1.75 out of 2.0

Performance Metrics Weighting: STI – 20% / LTI – 15% ⁵	Target	Result	Key Performance Highlights
Environmental Indicators (STI)	20% spills reduction and assessment of severity and prevention	Achieved Target	<ul style="list-style-type: none"> Several proactive initiatives implemented, such as chemical programs and review of sand management and dead leg identification. No catastrophic severe spills.
Safety Indicators (STI)	TRIF ⁽²⁾ – 0.45 LTIF ⁽³⁾ – 0.06 PH 3+ ⁽⁴⁾ – 0.11 Prevention Initiatives	TRIF – 0.43 LTIF – 0.04 PH 3+ – 0.02	<ul style="list-style-type: none"> Strong safety performance, particularly with respect to incident severity (as measured by PH 3+), and significant proactive prevention initiatives. Proactive safety leadership performance and continuous improvement initiatives such as the long-term safety strategy “Together Preventing Harm”, program enhancements with short service workers and nursing triage.
Social Indicators (LTI)	Advance key actions in engagement, succession planning and DE&I	Measured at end of the three-year period	<ul style="list-style-type: none"> Increased communication and events to ensure alignment on purpose, strategy, business objectives and culture. Strong engagement results. Targeted pulse checks to measure continuous improvement.
GHG Emissions (LTI)	Reduced Scope 1 and Scope 2 GHG emissions intensity by 20% Absolute emissions by a minimum of 70,000 tCO ₂ E by 2025 Reduced overall methane emissions intensity by 20% by 2025.	Measured at end of the three-year period	<ul style="list-style-type: none"> GHG emissions intensity associated with ARC’s legacy assets, reduced 16 per cent against the five-year target which is ahead of plan. Continued to advance strategy for Kakwa emissions reduction. Electrified Parkland 3-9 Phase 2 reducing emissions by 6,000 tCO₂e/yr. Achieved Equitable Origin’s (“EO”) EO 100™ Standard for Responsible Energy Development for all assets.

(1) See the section entitled “Non-GAAP and Other Financial Measures” within this document for an explanation of composition of these supplementary financial measures.

(2) TRIF is defined as Total Recordable Incident Frequency (employees and contractors).

(3) LTIF is defined as Lost Time Incident Frequency (employees and contractors).

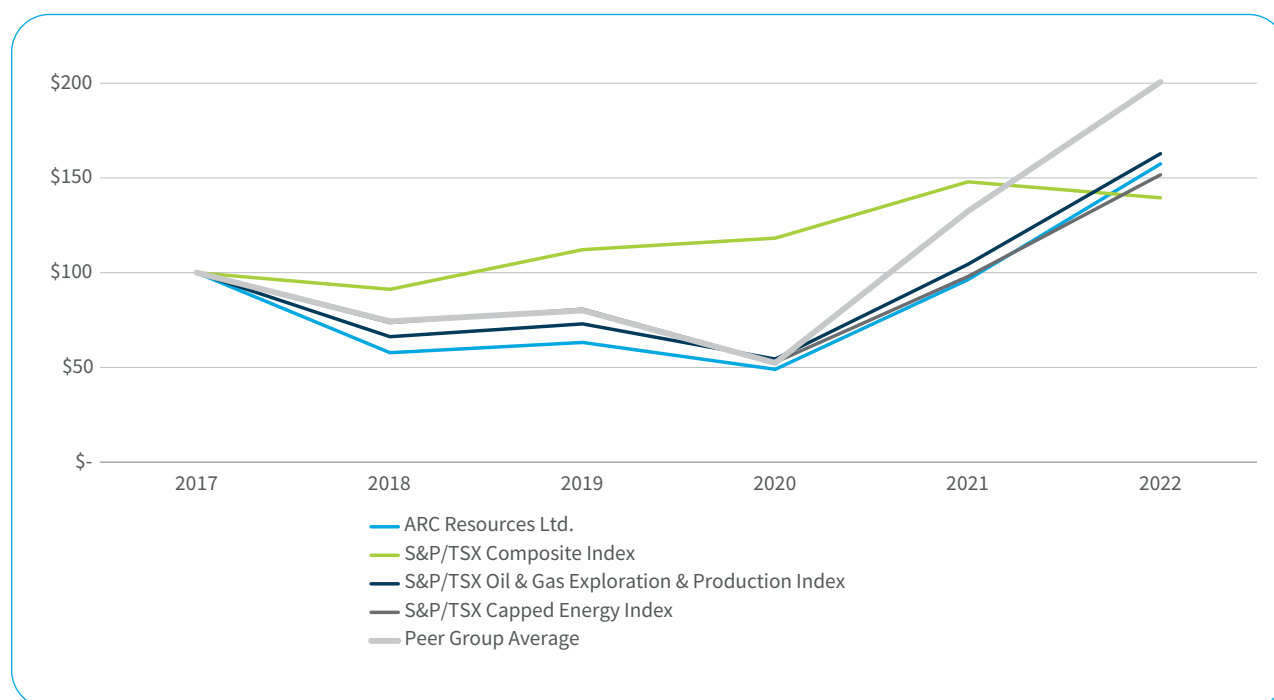
(4) PH 3+ is defined as Potential Hurt (PH) 3+ Frequency where based on a scale of PH1 – PH5, any incident above a level three is classified as serious and an independent third-party investigation is conducted.

Application of the 2022 Scorecard Assessment

The scorecard assessment for 2022 was 1.8 out of 2.0. For the 2022 bonus payment decisions for executives, the scorecard assessment was used to inform the corporate assessment weighted at 80 percent and the remaining 20 per cent was an assessment based on individual performance and defined leadership objectives. The 2022 scorecard assessment further determines the PSU performance multiplier for the 2020 grants that are vesting in 2023. For the 2020 grants, the 2022 scorecard assessment of 1.8 will determine the final one-third of the three-year average scorecard calculation. The scorecard assessment for the period will be weighted at 50 per cent. The remaining 50 per cent of the PSU performance multiplier will be calculated based on relative total shareholder return compared to the peer group over the period. Relative total shareholder return compared to the peer group on December 31, 2022 ranked in the bottom quartile (refer to the section below).

Performance Graph

The graph below compares ARC's share price performance over the past five years to the S&P/TSX Composite Index, S&P/TSX Oil & Gas Exploration and Production Index, S&P/TSX Capped Energy Index, and our executive compensation peer group, assuming each started with an investment of \$100 at the end of 2017.



	2017	2018	2019	2020	2021	2022
ARC Resources Ltd.	\$100.00	\$57.62	\$ 63.15	\$ 48.87	\$ 96.31	\$157.28
S&P/TSX Composite Index	\$100.00	\$91.12	\$111.93	\$118.20	\$147.93	\$139.42
S&P/TSX Oil and Gas Exploration and Production Index	\$100.00	\$66.22	\$ 72.80	\$ 54.41	\$104.23	\$162.73
S&P/TSX Capped Energy Index	\$100.00	\$73.43	\$ 80.59	\$ 52.67	\$ 97.72	\$151.67
Executive Compensation Peer Group Average	\$100.00	\$74.20	\$ 80.14	\$ 52.15	\$132.38	\$200.48

ARC is a long-term Company, and we believe our disciplined strategy and competitive strengths will position us to perform well into the future. In the past five years, commodity price volatility and intense pressure on investments in the oil and gas industry has increased the volatility of share performance. During the period up to 2021, total granted NEO compensation decreased by 12 per cent, and realized pay for our NEOs was more than 30 per cent less than granted compensation, reflecting the share price depreciation ARC experienced during this time frame. ARC's relative total shareholder return was bottom quartile during the period 2020 - 2022, and ARC's 2022 total return of 63 per cent outperformed the peer group average (53 per cent) and all three indices. Since inception in 1996, ARC has delivered an average annual total return of 12 per cent, outperforming both the S&P/TSX Composite Index and the S&P/TSX Oil & Gas Exploration & Production Index.

2022 Compensation

CEO Compensation

Based on the Corporate Scorecard results and the individual objectives set for the CEO, the Board assessed Mr. Anderson's performance as "Outperform" in 2022. Following the decision in 2021 to pursue the strategic Business Combination with Seven Generations, Mr. Anderson's leadership has been instrumental in stewarding the organization through complex change and creating strong internal alignment. He has also increasingly engaged externally, representing ARC and broader industry interests with governments, regulators, First Nations and stakeholders. ARC faced new challenges in 2022, advancing strategic and operational priorities amidst global energy market disruptions, significant business complexities and increasing inflationary pressures. Despite this complex backdrop, with Mr. Anderson's leadership, ARC achieved outstanding performance results.

Mr. Anderson's key strategic decisions and achievements are as follows:

High-quality Assets & Operational Excellence

- Reinforced ARC's safety culture by championing "Together Preventing Harm" program and prioritizing safety as ARC's top priority resulting in strong safety performance.
- Demonstrated strong decision-making and judgement in the proactive reallocation of capital to Kakwa which resulted in the achievement of profitable record production of 345,613 boe/d.
- Active engagement with British Columbia and federal governments, and with First Nations.

Commercial Activities & Risk Management

- Advanced several key strategic initiatives including finalizing a long-term natural gas supply agreement with Cheniere Energy, Inc.
- Stewarded active hedging program and managed realized hedging losses which were primarily the result of the strategic position entered into to ensure deleveraging post deal in 2021.
- Optimized marketing contracts to generate incremental revenue and mitigate AECO volatility.
- Led several key advancements in ARC's business development strategy.

Financial Sustainability & Return on Investment

- Executed capital allocation strategy, increasing returns to shareholders and achieving record financial performance.
- Increased ARC's dividend by 50 per cent to \$0.15 per share per quarter and repurchased 10 per cent of issued and outstanding shares through 2022.
- Maintained investment-grade credit rating.
- Engaged in more than 200 investor meetings to communicate ARC's performance and strategy.

People & ESG Leadership

- Led increased communication efforts to strengthen alignment on organizational purpose, strategy, business objectives and culture for the combined organization.
- Active engagement with government officials, shareholders, Indigenous communities and other key stakeholders.
- Advanced emissions reduction plans at Kakwa in support of ARC's long-term emissions reduction targets.
- Championed ARC's evolved efforts in diversity, equity and inclusion to create a strong sense of belonging for all employees.

Through the annual process of determining executive compensation targets, the HRC Committee reviewed Mr. Anderson's compensation targets compared to the executive compensation peer group, considering his performance and scope of role. The HRC Committee recommended to the Board to increase Mr. Anderson's base salary and compensation targets by a total of 15 per cent. This was primarily to bring Mr. Anderson's targeted compensation in line with the median of the executive compensation peer group.

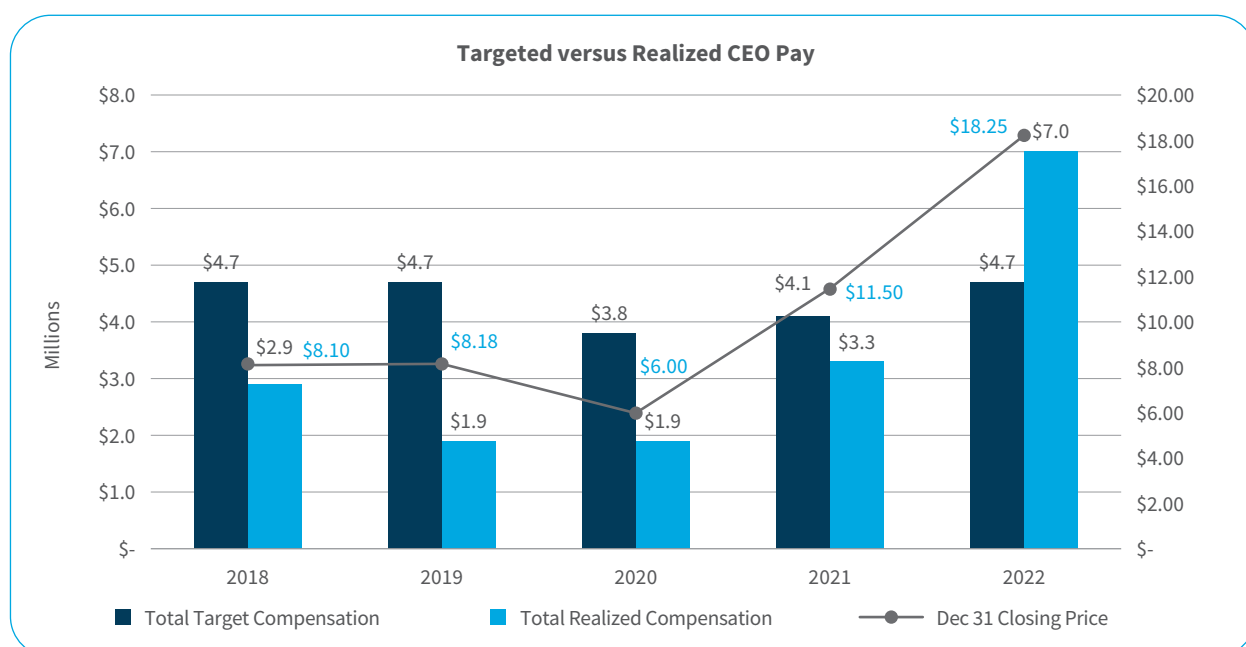
For the purposes of determining Mr. Anderson's 2022 bonus, the performance of the Company and individual accomplishments were assessed. Mr. Anderson's bonus is weighted 80 per cent on corporate performance, which is largely informed by the corporate scorecard assessment, and 20 per cent based on individual performance against defined leadership objectives. Given both strong corporate and individual performance in 2022, the Board awarded Mr. Anderson with an above target bonus payment at 173 per cent of his target bonus.

The following table summarizes target compensation⁽¹⁾ for the CEO over the past five years. Mr. Stadnyk was CEO for 2018 and 2019 and Mr. Anderson has been CEO since 2020.

Compensation Component	2018	2019	2020	2021	2022
Base Salary	\$ 570,000	\$ 570,000	\$ 475,000	\$ 600,000	\$ 630,000
Other Compensation	\$ 76,400	\$ 76,400	\$ 54,300	\$ 64,050	\$ 82,108
Bonus	\$ 650,000	\$ 650,000	\$ 550,000	\$ 650,000	\$ 750,000
RSU & PSU Grants	\$ 1,655,000	\$ 2,470,000	\$ 2,100,000	\$ 2,797,500	\$ 3,250,000
Share Option Grant	\$ 800,000	—	—	—	—
Long-Term Restricted Share Awards	\$ 910,000	\$ 950,000	\$ 600,000	—	—
Total Target Compensation	\$4,661,400	\$4,716,400	\$3,779,300	\$4,111,550	\$4,712,108

(1) Target compensation refers to base salary, target bonus, granted RSUs & PSUs, and for previous years, granted Share Options and LTRs.

The following table summarizes total CEO target compensation versus realized pay over the last five years. The graph demonstrates the shareholder alignment of ARC's compensation programs by comparing the differences between the target compensation and the actual pay realized by the CEO in the last five years. CEO realized pay, which includes base salary, actual bonus earned and the LTIP values vested and paid in the applicable year, was less than target value in 2018 through 2021. In 2022, ARC's share price increased 59 per cent and Mr. Anderson's realized pay was 49 per cent higher than his target compensation. Our compensation plan is designed to pay for performance and to align with the experience of ARC's shareholders.



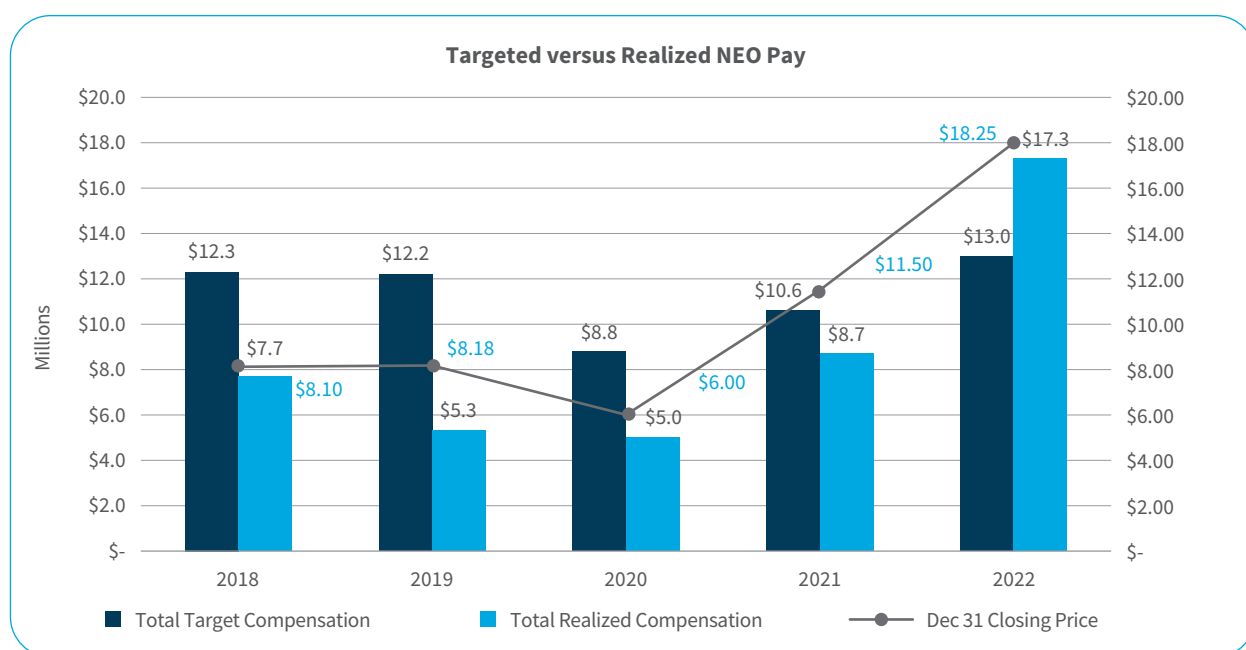
NEO Compensation

Since the business combination in 2021 and the resulting reduced cost structure, NEO total target compensation has become a significantly smaller percentage of funds from operations and enterprise value.

	2018	2019	2020	2021	2022
Target NEO Compensation (\$ millions)	12.2	12.2	8.6	9.8	11.4
Funds from Operations (\$ millions)	819	697	668	2,415	3,713
NEO Compensation as % of Funds from Operations ⁽¹⁾	1.50	1.75	1.32	0.44	0.31
Enterprise Value (\$ billions)	3.6	3.8	2.9	10.7	12.6
NEO Compensation as a % of Enterprise Value	0.34	0.32	0.31	0.10	0.09
Total Shareholder Return (%) ⁽¹⁾	-42.4	9.6	-22.6	97.1	63.3

(1) See the section entitled “Non-GAAP and Other Financial Measures” within this document for an explanation of composition of these supplementary financial measures.

The following table summarizes total NEO target compensation versus realized pay over the last five years. The graph demonstrates the shareholder alignment of ARC’s compensation programs by comparing the differences between target compensation and the actual pay realized by the NEOs in the last five years. From 2018 through 2021 NEO realized pay was less than target pay and aligned with the experience of the shareholder. In 2022, ARC’s share price increased by 59 per cent and NEO realized pay was 52 per cent higher than target compensation.



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, 2022, whose total compensation was more than \$150,000 (collectively, the NEOs).

Name and Principal Position	Year	Salary	RSUs, PSUs and LTRSAs (1)(2)(3)(4)(5)	Share Options	Non-equity Incentive Plan Compensation			Total Compensation
					Bonus (6)	Long-term Incentive Plans	All Other Compensation (7)	
Terry Anderson	2022	\$630,000	\$3,250,014	\$—	\$1,300,000	N/A	\$82,108	\$5,262,122
President & Chief Executive Officer	2021	\$600,000	\$2,797,504	\$—	\$ 915,000	N/A	\$64,050	\$4,376,554
	2020	\$461,026	\$2,700,004	\$—	\$ 650,000	N/A	\$54,300	\$3,865,330
Kristen Bibby	2022	\$440,000	\$1,215,016	\$—	\$ 710,000	N/A	\$60,138	\$2,425,154
Senior Vice President & Chief Financial Officer	2021	\$420,000	\$1,045,005	\$—	\$ 540,000	N/A	\$44,550	\$2,049,555
	2020	\$320,256	\$ 960,005	\$—	\$ 365,000	N/A	\$39,675	\$1,684,936
Armin Jahangiri	2022	\$375,000	\$ 860,007	\$—	\$ 690,000	N/A	\$50,262	\$1,975,269
Senior Vice President & Chief Operating Officer	2021	\$330,000	\$ 610,007	\$—	\$ 525,000	N/A	\$38,050	\$1,503,057
	2020	\$275,000	\$ 620,003	\$—	\$ 225,000	N/A	\$35,613	\$1,155,616
Larissa Conrad	2022	\$370,000	\$ 825,006	\$—	\$ 600,000	N/A	\$48,415	\$1,843,421
Senior Vice President & Chief Development Officer	2021	\$310,000	\$ 730,013	\$—	\$ 440,000	N/A	\$38,050	\$1,518,063
	2020	\$275,000	\$ 632,504	\$—	\$ 260,000	N/A	\$35,613	\$1,203,117
Ryan Berrett	2022	\$330,000	\$ 605,014	\$—	\$ 480,000	N/A	\$46,108	\$1,461,122
Senior Vice President, Marketing	2021	\$300,000	\$ 442,508	\$—	\$ 350,000	N/A	\$36,750	\$1,129,258
	2020	\$265,000	\$ 417,505	\$—	\$ 215,000	N/A	\$33,825	\$ 931,330

(1) In 2022, the value of PSUs and RSUs granted were as follows:

NEO	PSUs	RSUs	Total Share-based Awards
Terry Anderson	\$2,925,027	\$324,987	\$3,250,014
Kristen Bibby	\$ 972,020	\$242,996	\$1,215,016
Armin Jahangiri	\$ 688,013	\$171,994	\$ 860,007
Larissa Conrad	\$ 660,020	\$164,986	\$ 825,006
Ryan Berrett	\$ 484,024	\$120,990	\$ 605,014

(2) In 2021, the value of PSUs and RSUs granted were as follows:

NEO	PSUs	RSUs	Total Share-based Awards
Terry Anderson	\$2,295,013	\$502,491	\$2,797,504
Kristen Bibby	\$ 728,011	\$316,994	\$1,045,005
Armin Jahangiri	\$ 488,013	\$121,994	\$ 610,007
Larissa Conrad	\$ 488,013	\$242,000	\$ 730,013
Ryan Berrett	\$ 322,007	\$120,501	\$ 442,508

(3) In 2020, the value of RSUs, PSUs and LTRSAs granted were as follows:

NEO	PSUs	RSUs	Long-term Restricted Share Awards	Total Share-based Awards
Terry Anderson	\$1,890,012	\$209,992	\$600,000	\$2,700,004
Kristen Bibby	\$ 592,009	\$147,996	\$220,000	\$ 960,005
Armin Jahangiri	\$ 368,007	\$ 91,996	\$160,000	\$ 620,003
Larissa Conrad	\$ 378,008	\$ 94,496	\$160,000	\$ 632,504
Ryan Berrett	\$ 242,007	\$ 60,498	\$115,000	\$ 417,505

(4) RSUs and PSUs are granted twice per year. 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 preceding 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	Spring	Fall
2022	\$15.70	\$18.49
2021	\$ 9.11	\$ 9.54
2020	\$ 2.98	\$ 6.17

- (5) LTRSAs 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 in 2020 was \$6.17.
- (6) Bonus amounts reflect amounts earned in the fiscal year.
- (7) Other compensation includes benefits and savings plan contributions.

Unvested Value of Long-Term Incentives at Year-end

The tables below illustrate the outstanding RSUs, and PSUs held by each NEO as of December 31, 2022, which had not vested at such date. All PSUs are subject to a performance multiplier that may vary from zero to two.

RSUs

NEO	Year of Award	Unvested Awards ⁽¹⁾	Year of Vesting	Value of Unvested Awards ⁽²⁾
Terry Anderson	2022	19,288	2023, 2024, 2025	\$ 352,006
	2021	37,724	2023, 2024	\$ 688,463
	2020	18,821	2023	\$ 343,483
		75,833		\$1,383,952
Kristen Bibby	2022	14,378	2023, 2024, 2025	\$ 262,399
	2021	23,746	2023, 2024	\$ 433,365
	2020	13,265	2023	\$ 242,086
		51,389		\$ 937,850
Armin Jahangiri	2022	10,130	2023, 2024, 2025	\$ 184,873
	2021	9,021	2023, 2024	\$ 164,633
	2020	7,987	2023	\$ 145,763
		27,138		\$ 495,269
Larissa Conrad	2022	9,748	2023, 2024, 2025	\$ 177,901
	2021	18,169	2023, 2024	\$ 331,584
	2020	8,292	2023	\$ 151,329
		36,209		\$ 660,814
Ryan Berrett	2022	7,119	2023, 2024, 2025	\$ 129,922
	2021	8,992	2023, 2024	\$ 164,104
	2020	5,407	2023	\$ 98,678
		21,518		\$ 392,704

(1) The number of awards has been updated to reflect dividends paid on Common Shares from the date of grant to December 31, 2022.

(2) Values are based on the December 31, 2022 closing price of ARC's Common Shares of \$18.25.

PSUs

NEO	Year of Award	Unvested Awards ⁽¹⁾	Year of Vesting	Median Value of Unvested Awards ⁽²⁾	Maximum Value of Unvested Awards ⁽³⁾
Terry Anderson	2022	173,607	2025	\$ 3,168,328	\$ 6,336,656
	2021	254,602	2024	\$ 4,646,487	\$ 9,292,974
	2020	508,191	2023	\$ 9,274,486	\$ 18,548,972
		936,400		\$17,089,301	\$34,178,602
Kristen Bibby	2022	57,516	2025	\$ 1,049,667	\$ 2,099,334
	2021	80,742	2024	\$ 1,473,542	\$ 2,947,084
	2020	159,181	2023	\$ 2,905,053	\$ 5,810,106
		297,439		\$ 5,428,262	\$10,856,524
Armin Jahangiri	2022	40,524	2025	\$ 739,563	\$ 1,479,126
	2021	54,133	2024	\$ 987,927	\$ 1,975,854
	2020	95,845	2023	\$ 1,749,171	\$ 3,498,342
		190,502		\$ 3,476,661	\$ 6,953,322
Larissa Conrad	2022	38,999	2025	\$ 711,732	\$ 1,423,464
	2021	54,133	2024	\$ 987,927	\$ 1,975,854
	2020	99,504	2023	\$ 1,815,948	\$ 3,631,896
		192,636		\$ 3,515,607	\$ 7,031,214
Ryan Berrett	2022	28,482	2025	\$ 519,797	\$ 1,039,594
	2021	35,661	2024	\$ 650,813	\$ 1,301,626
	2020	64,877	2023	\$ 1,184,005	\$ 2,368,010
		129,020		\$ 2,354,615	\$ 4,709,230

(1) The number of awards has been updated to reflect dividends paid on Common Shares from the date of grant to December 31, 2022.

(2) Values are based on the December 31, 2022 closing price of ARC's Common Shares of \$18.25 and a median performance multiplier of 1.0.

(3) Values are based on the December 31, 2022 closing price of ARC's Common Shares of \$18.25 and a maximum performance multiplier of 2.0.

Outstanding Value of Long-Term Incentives at Year-end

Share Options

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

The table below illustrates the outstanding Share Options held by each NEO and the before-tax gain under both exercising methods as of December 31, 2022.

Name	Grant Date	Share Options ⁽¹⁾					
		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 of December 31, 2022	Value of Unexercised in-the-money Options (Reduced Exercise Price)
Terry Anderson	June 19, 2018	104,816	\$13.21	June 19, 2025	\$ 528,273	\$11.334	\$ 724,907
	June 21, 2017	83,461	\$16.59	June 21, 2024	\$ 138,545	\$14.114	\$ 345,195
	June 23, 2016	63,102	\$21.13	June 23, 2023	\$ —	\$18.054	\$ 12,368
		251,379			\$666,818		\$1,082,470
Kristen Bibby	June 19, 2018	36,395	\$13.21	June 19, 2025	\$ 183,431	\$11.334	\$ 251,708
	June 21, 2017	24,343	\$16.59	June 21, 2024	\$ 40,409	\$14.114	\$ 100,683
	June 23, 2016	18,405	\$21.13	June 23, 2023	\$ —	\$18.054	\$ 3,607
		79,143			\$223,840		\$ 355,998
Armin Jahangiri	June 19, 2018	36,395	\$13.21	June 19, 2025	\$ 183,431	\$11.334	\$ 251,708
	June 21, 2017	23,184	\$16.59	June 21, 2024	\$ 38,485	\$14.114	\$ 95,889
	June 23, 2016	13,147	\$21.13	June 23, 2023	\$ —	\$18.054	\$ 2,577
		72,726			\$221,916		\$ 350,174
Larissa Conrad	June 19, 2018	36,395	\$13.21	June 19, 2025	\$ 183,431	\$11.334	\$ 251,708
	June 21, 2017	28,980	\$16.59	June 21, 2024	\$ 48,107	\$14.114	\$ 119,861
	June 23, 2016	19,281	\$21.13	June 23, 2023	\$ —	\$18.054	\$ 3,779
		84,656			\$231,538		\$ 375,348
Ryan Berrett	June 19, 2018	23,293	\$13.21	June 19, 2025	\$ 117,397	\$11.334	\$ 161,094
	June 21, 2017	18,547	\$16.59	June 21, 2024	\$ 30,788	\$14.114	\$ 76,710
	June 23, 2016	13,147	\$21.13	June 23, 2023	\$ —	\$18.054	\$ 2,577
		54,987			\$148,185		\$ 240,382

(1) Values are based on the December 31, 2022 closing price of ARC's Common Shares of \$18.25.

Long-term Restricted Share Awards

The table below illustrates the outstanding LTRSAs held by each NEO as of December 31, 2022, and which had not vested at such date.

Restricted Shares ⁽¹⁾				
NEO	Year of Award	Unvested Awards	Year of Vesting	Value of Unvested Awards
Terry Anderson	2021	4,112	2027 - 2031	\$ 75,044
	2020	73,657	2026 - 2030	\$ 1,344,240
	2019	43,666	2027, 2028, 2029	\$ 796,905
	2018	23,379	2026, 2027, 2028	\$ 426,667
	2017	19,154	2025, 2026, 2027	\$ 349,561
	2016	15,447	2024, 2025, 2026	\$ 281,908
	2015	16,167	2023, 2024, 2025	\$ 295,048
		195,582		\$3,569,372
Kristen Bibby	2020	27,008	2026 - 2030	\$ 492,896
	2019	16,087	2027, 2028, 2029	\$ 293,588
	2018	8,118	2026, 2027, 2028	\$ 148,154
	2017	5,587	2025, 2026, 2027	\$ 101,963
	2016	4,506	2024, 2025, 2026	\$ 82,235
	2015	4,716	2023, 2024, 2025	\$ 86,067
		66,022		\$1,204,902
Armin Jahangiri	2020	19,643	2026 - 2030	\$ 358,485
	2019	16,087	2027, 2028, 2029	\$ 293,588
	2018	8,117	2026, 2027, 2028	\$ 148,135
	2017	5,321	2025, 2026, 2027	\$ 97,108
		49,168		\$ 897,316
Larissa Conrad	2020	19,643	2026 - 2030	\$ 358,485
	2019	18,386	2027, 2028, 2029	\$ 335,545
	2018	9,742	2026, 2027, 2028	\$ 177,792
	2017	7,981	2025, 2026, 2027	\$ 145,653
	2016	5,363	2024, 2025, 2026	\$ 97,875
	2015	5,614	2023, 2024, 2025	\$ 102,456
		66,729		\$1,217,804
Ryan Berrett	2020	14,118	2026 - 2030	\$ 257,654
	2019	13,215	2027, 2028, 2029	\$ 241,174
	2018	6,494	2026, 2027, 2028	\$ 118,516
	2017	5,321	2025, 2026, 2027	\$ 97,108
	2016	3,434	2024, 2025, 2026	\$ 62,671
	2015	5,072	2023, 2024, 2025	\$ 92,564
		47,654		\$ 869,686

(1) The number of awards has been updated to reflect dividends paid on Common Shares from the date of grant to December 31, 2022. Values are based on the December 31, 2022 closing price of ARC's Common Shares of \$18.25.

Value Vested During the Year

RSU and PSU awards vest in March and September of each year. Share Option grants vest in June.

The table below illustrates for each NEO the value of RSUs, PSUs and Share Options that vested in 2022 and the value of non-equity plan compensation (bonus) earned in 2022. No LTRsAs vested in 2022.

NEO	RSUs/PSUs ⁽¹⁾				Share Options ⁽²⁾			2022 Bonus ⁽³⁾
	Type of Award	Year of Award	Number of Awards Vested	Value	Year of Award	Number of Awards Vested	Value	
Terry Anderson	RSU	2020, 2020, 2021	59,544	\$ 989,244	2018	52,408	\$151,249	\$1,300,000
	PSU	2019	168,403	\$ 3,860,725	2017	41,731	\$256,479	
			227,947	\$4,849,969		94,139	\$407,728	
Kristen Bibby	RSU	2020, 2020, 2021	33,559	\$ 557,325	2018	18,197	\$52,517	\$ 710,000
	PSU	2019	55,253	\$ 1,277,739	2017	12,172	\$74,809	
			88,812	\$1,835,064		30,369	\$127,326	
Armin Jahangiri	RSU	2020, 2020, 2021	20,636	\$ 345,967	2018	18,197	\$52,517	\$ 690,000
	PSU	2019	49,183	\$ 1,132,628	2017	11,592	\$71,244	
			69,819	\$1,478,595		29,789	\$123,761	
Larissa Conrad	RSU	2020, 2020, 2021	25,793	\$ 427,338	2018	18,197	\$52,517	\$ 600,000
	PSU	2019	53,721	\$ 1,231,581	2017	14,490	\$89,056	
			79,514	\$1,658,919		32,687	\$141,573	
Ryan Berrett	RSU	2020, 2020, 2021	15,826	\$ 263,191	2018	11,646	\$33,610	\$ 480,000
	PSU	2019	34,949	\$ 805,472	2017	9,274	\$56,998	
			50,775	\$1,068,663		20,920	\$90,608	

(1) The value of the PSU awards that vested in 2022 was calculated based on the weighted average trading price of Common Shares for the five trading days preceding the vesting date multiplied by the number of PSU awards 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. The performance multiplier was determined based on the three-year average of the corporate performance scorecard assessments weighted at 50 percent and relative total shareholder return over the three-year period weighted at 50 percent.

Vest Date	Price	Performance Multiplier
March 15, 2022	\$15.70	1.247
September 15, 2022	\$18.49	1.371

(2) The value of the Share Options that vested in 2022 was calculated based on the difference 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	Declined Strike Price
June 19, 2022	\$17.24	\$14.354
June 21, 2022	\$17.72	\$11.574

(3) Bonus amounts reflect amounts earned in the fiscal 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	LTRSAs	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 the termination date
Termination: Not for Cause	CEO – 2 times base salary and 2 times the average bonus over the last two years CFO – 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 executives – 18 per cent of base salary for loss of benefits	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	No accelerated vesting – shares are converted into shares of the continuing successor Company	No accelerated vesting – shares are converted into shares of the continuing successor Company	CEO and CFO – 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 – 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 executives – 18 per cent of base salary for loss of benefits	Immediate vesting	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 and 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 the executive is a minimum of 55 years old and has a combined age plus service equal to a minimum of 70 years, all shares continue to vest on schedule. If the executive has reached the age of 55 but does not have a combined age plus service of 70 years, 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 and 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 of December 31, 2022.

NEO	Triggering Event	Payment Pursuant to Employment Agreement	RSUs/PSUs ^{(1) (2)}	LTRSAs ⁽³⁾	Share Options ⁽⁴⁾	Total
Terry Anderson ⁽⁵⁾	Termination for Just Cause or Resignation	\$ —	\$ —	\$ —	\$ —	\$ —
	Termination Event	\$3,051,800	\$ —	\$ —	\$ —	\$ 3,051,800
	Change of Control	\$ —	\$ —	\$ —	\$ —	\$ —
	Change of Control and Termination Event	\$3,051,800	\$17,516,100	\$3,569,372	\$1,082,470	\$25,219,742
	Retirement	\$ —	\$ —	\$ —	\$ —	\$ —
	Death	\$ —	\$17,516,100	\$3,569,372	\$1,082,470	\$22,167,942
Kristen Bibby ⁽⁵⁾	Termination for Just Cause or Resignation	\$ —	\$ —	\$ —	\$ —	\$ —
	Termination Event	\$1,700,475	\$ —	\$ —	\$ —	\$ 1,700,475
	Change of Control	\$ —	\$ —	\$ —	\$ —	\$ —
	Change of Control and Termination Event	\$1,700,475	\$ 6,070,577	\$1,204,902	\$ 355,998	\$ 9,331,952
	Retirement	\$ —	\$ —	\$ —	\$ —	\$ —
	Death	\$ —	\$ 6,070,577	\$1,204,902	\$ 355,998	\$ 7,631,477
Armin Jahangiri ⁽⁵⁾	Termination for Just Cause or Resignation	\$ —	\$ —	\$ —	\$ —	\$ —
	Termination Event	\$1,430,625	\$ —	\$ —	\$ —	\$ 1,430,625
	Change of Control	\$ —	\$ —	\$ —	\$ 350,174	\$ 350,174
	Change of Control and Termination Event	\$1,430,625	\$ 3,996,955	\$ 897,316	\$ 350,174	\$ 6,675,070
	Retirement	\$ —	\$ —	\$ —	\$ —	\$ —
	Death	\$ —	\$ 3,996,955	\$ 897,316	\$ 350,174	\$ 5,244,445
Larissa Conrad ⁽⁵⁾	Termination for Just Cause or Resignation	\$ —	\$ —	\$ —	\$ —	\$ —
	Termination Event	\$1,376,500	\$ —	\$ —	\$ —	\$ 1,376,500
	Change of Control	\$ —	\$ —	\$ —	\$ 375,348	\$ 375,348
	Change of Control and Termination Event	\$1,376,500	\$ 3,802,477	\$1,217,804	\$ 375,348	\$ 6,772,129
	Retirement	\$ —	\$ —	\$ —	\$ —	\$ —
	Death	\$ —	\$ 3,802,477	\$1,217,804	\$ 375,348	\$ 5,395,629
Ryan Berrett ⁽⁵⁾	Termination for Just Cause or Resignation	\$ —	\$ —	\$ —	\$ —	\$ —
	Termination Event	\$1,007,850	\$ —	\$ —	\$ —	\$ 1,007,850
	Change of Control	\$ —	\$ —	\$ —	\$ 240,382	\$ 240,382
	Change of Control and Termination Event	\$1,007,850	\$ 2,637,774	\$ 869,686	\$ 240,382	\$ 4,755,692
	Retirement	\$ —	\$ —	\$ —	\$ —	\$ —
	Death	\$ —	\$ 2,637,774	\$ 869,686	\$ 240,382	\$ 3,747,842

(1) RSUs and PSUs are valued using the December 31, 2022 closing price of ARC Common Shares of \$18.25.

(2) PSUs have been valued using their actual performance multiplier, except those awards that have been active less than a year are valued at 1.0.

(3) LTRSAs have been valued using the December 31, 2022 closing price of \$18.25

(4) Share Options have been valued using the December 31, 2022 closing price of \$18.25 and assuming the executive elects that the exercise price be reduced by the full amount of the dividends to this date.

(5) All our current NEOs are under the age of 55 and therefore are not eligible for retirement.

The maximum liability to ARC provided under all employment agreements and for all outstanding RSUs, PSUs, DSUs, Share Options and LTRSAs as of December 31, 2022, was approximately \$231 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 of December 31, 2022:

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⁾	4,935,068	\$ 14.03	19,475,939
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	4,935,068	\$14.03	19,475,939

(1) Excludes securities to be issued upon exercise of outstanding options, warrants and rights.

(2) The Company's Share Option Plan currently provides for the grant of a maximum number of 14,225,000 Common Shares and the LTRSA Plan currently provides for the grant of a maximum number of 1,600,000 Common Shares. Both the Share Option Plan and LTRSA Plan have been suspended. The Legacy Seven Generations Plans that were acquired by ARC through the Business Combination have a combined maximum share reserve of 8,586,007.

Indebtedness of Directors and Senior Officers and Others

There is not and has not been at any time in fiscal 2022, any indebtedness outstanding from our Directors or Officers to the Company.

Interest of Informed Persons in Material Transactions

There were no material interests, direct or indirect, of any informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

Interest of Certain Persons and Companies in Matters to be Acted Upon

Management of the Company is not aware of any material interest of any Director, Officer, or nominee for Director of the Company, 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 Company is available under the Company's SEDAR profile at www.sedar.com. The Financial Information in respect of the Company and its affairs is provided in the Company's annual financial statements for the year ended December 31, 2022, and the related Management's Discussion and Analysis. Copies of the Financial Information are available upon request from the Company at 1200, 308 – 4th Avenue SW, Calgary, Alberta, T2P 0H7 (toll free number **1-888-272-4900**), on ARC's website at www.arcresources.com or under ARC's SEDAR profile at www.sedar.com.

Other Matters

Management of the Company 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.

Non-GAAP and Other Financial Measures

Throughout this document and in other materials disclosed by the Company, ARC employs certain measures to analyze its financial performance, financial position, and cash flow including "capital expenditures" and "free funds flow". Additionally, other financial measures are also used to analyze performance including, but not limited to, "funds from operations", "net debt", and "net debt to funds from operations". These non-GAAP and other financial measures are not standardized financial measures under IFRS and may not be comparable to similar financial measures disclosed by other issuers. The non-GAAP and other financial measures should not be considered to be more meaningful than GAAP measures which are determined in accordance with IFRS, such as net income (loss), cash flow from operating activities, and cash flow used in investing activities, as indicators of ARC's performance. See "Non-GAAP and Other Financial Measures" in the 2022 Annual MD&A for an explanation of the composition of these non-GAAP and other financial measures, which information is incorporated by reference into this information circular.

Supplementary Financial Measures

"Total Shareholder Return" (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.

"NEO Compensation as % of Funds from Operations" is comprised of Named Executive Officers total annual compensation for the period ended December 31st divided by funds from operations for such period.

See our Annual Information Form dated March 9, 2023, for additional details of "Proved plus Probable Reserves."

Approval

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

Date

This information circular is dated March 21, 2023.

Appendices

A. Summary of Share Option Plan

ARC suspended its Share Option Plan in 2019. Share Options granted prior to 2019 will 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	Share Options Granted	Grant Price	Shares Outstanding	Share 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

Shares Outstanding as of December 31, 2022	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
620,887,956	14,225,000	2.29	2,598,591	0.42	18.27

B. Summary of LTRSA Plan

ARC suspended its LTRSA Plan in 2021. Previous LTRSAs will continue to vest on schedule. The maximum number of Common Shares issuable under the LTRSA Plan is limited to 1,600,000 shares.

The details of the awards granted under the LTRSA Plan are below.

Year	Long-term Restricted Share Awards	Grant Price	Shares Outstanding	Long-term Restricted Share Awards Granted as % of Shares Outstanding (Burn Rate)
2021	4,009	\$ 9.11	694,891,732	0.0006
2020	217,806	\$ 6.17	354,371,416	0.0615
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 of December 31, 2022, ARC had LTRSAs outstanding representing 62 per cent of the approved share reserve, as shown below:

Shares Outstanding as of December 31, 2022	Approved Share Reserve	Share Reserve as a % of Shares Outstanding	Long-term Restricted Share Awards Outstanding at Year-end	Long-term Restricted Share Awards Outstanding as % of Shares Outstanding (Burn Rate)	Long-term Restricted Share Awards Outstanding as a % of Approved Reserve
620,887,956	1,600,000	0.26	993,194	0.16	62.07

C. Summary of Treasury-Based Legacy Seven Generations Plans

Upon the completion of the Business Combination ARC acquired all outstanding Seven Generations long-term incentive plans. At this time a share reserve was listed with the TSX for the outstanding treasury-based long-term incentives.

The details of outstanding acquired treasury-based legacy Seven Generations plans are as follows:

Treasury-based Legacy Seven Generations Plans	Outstanding as of December 31, 2022
Share Options	1,182,007
RSUs and PSUs	8,350
DSUs	152,926
Total	1,343,283

Shares Outstanding as of December 31, 2022	Approved Share Reserve	Share Reserve as a % of Shares Outstanding	Outstanding at Year-end	Outstanding as % of Shares Outstanding (Burn Rate)	Outstanding as a % of Approved Reserve
620,887,956	8,586,007	1.38	1,343,283	0.22	15.65

D. 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:

- in consultation with management of ARC, define the principal strategic objectives of ARC including short-term business plans and long-term strategic plans;
- monitor the management of the business and affairs of ARC with the goal of achieving such principal strategic objectives as defined by the Board;
- discharge the duties imposed on the Board by applicable laws; and
- 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 responsibilities:

- 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 strategic objectives; and
- identify the principal strategic, financial 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 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 other entities, and undeveloped lands;
- approve the establishment of credit facilities;
- approve all public and private placement offering of securities of ARC or its subsidiaries for capital raising purposes; and
- approve all issuer bids to acquire or redeem securities of ARC or its subsidiaries that are listed or quoted for trading on a stock exchange or quotation system.

Monitoring and Acting

- monitor ARC's progress towards its goals, and to revise and alter its direction through management in light of changing circumstances;
- monitor overall human resource policies and procedures, including compensation and succession planning for the organization. Lead the CEO and executive succession process;
- appoint all of 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 controls and management information systems;
- monitor corporate governance and sustainability of ARC including overall responsibility for environment, social and governance strategy, risks and other related matters; reporting and compliance with all applicable safety, health and environmental laws and other regulatory requirements; climate change and energy transition considerations; carbon emission goals and measurements; Indigenous relations; and social and diversity policies;
- 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; and
- 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 environmental and social performance is integrated accurately and consistently into annual reports and financial reporting;
- 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 and applicable reporting standards;
- 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; and
- ensure that ARC has in place a policy to enable ARC to communicate effectively with its stakeholders, including shareholders and the public generally.

Governance

- in consultation with the Chair of the Board, develop a position description for the Chair of the Board;
- facilitate the continuity, effectiveness and independence of the Board by, amongst other things:
- appointing a Chair 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 Chair of the Board, the Board as a whole, each director, each committee of the Board and its chair;
- ensuring that processes are in place to assess the Board, its Committees, and individual director's performance; and
- 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 with regard to the Director's skills matrix and the evolving needs of the Board; and
- 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 committees of the Board from time to time 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 CEO shall be available to attend all meetings of the Board or Committees of the Board upon invitation by the Board or any such Committee.
- Executives 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 CEO.
- 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 and/or any member or Committee of the Board, after consultation with the Policy and Board Governance Committee, through the Chair, 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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