

# Mandate of the Policy and Board Governance Committee

## Role and Objective

The Policy and Board Governance Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of ARC Resources Ltd. (the "Corporation") formed for the purposes of assisting the Board in meeting its responsibilities to the Corporation with respect to Corporate policies and Board governance.

### Mandate and Responsibilities of the Committee

- To review on an ongoing basis the effectiveness of the Board and its Committees in fulfilling the mandate of the Board of Directors.
- To review the Corporation's approach to corporate governance matters and proactively track trends and best practices in corporate governance and to develop practices and corporate policy positions for approval by the Board.
- To review and recommend to the Board for approval reports concerning the Corporation's corporate governance practices as required by any regulatory authority.
- To act as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of the Board or individual members of the Board.
- To develop and recommend to the Board for approval and periodically review structures and procedures designed to ensure that the Board can function independently of management.
- To determine and recommend to the Board the appropriate size of the Board, its composition of members between independent Directors and non-independent Directors and minimum holdings of common shares for each Director.
- To develop a process: for considering the diversity, skills, and competencies of the Board as a whole and its individual members; to seek new members for the Board from time to time; and to consider and recommend to the Board the annual nomination of directors for election by shareholders.
- To have oversight of the annual process for reviewing the composition and performance of the Board through a board effectiveness survey which would include the periodic use of a 360-feedback review for each director, including the Board Chair.
- To have due regard for Board renewal and prospectively recruit and recommend new members to fill Board vacancies as required. New members should have competencies, skills and personal qualities outlined in the Director's skills matrix, which meet the evolving needs of the Board and complement existing Board members in carrying out the Board's mandate.
- To review and recommend to the Board as to the acceptance of any offer to resign of any director of the Board.
- To develop for approval by the Board and periodically review orientation and education programs for new directors.
- To annually review and recommend to the Board the appointments to each committee of the Board.

- Undertake annually a review of the mandate of the Board and its committees as well as the committee terms of reference and make recommendations to the Board as to proposed changes.
- To review and recommend compensation for Directors of the Corporation and any other arrangements pursuant to which monies are payable to a director or a party related to a director.
- To review and recommend to the Board any changes to the Code of Business Conduct and Ethics, Code of Conduct of Senior Financial Officers and other corporate and governance related policies delegated to the Committee and not specifically within the remit of another Board committee. To review compliance with the Modern Slavery legislation, including the delegated responsibilities of approving the report and providing attestation on behalf of the Board.
- To review the Directors and Officers insurance policy and recommend appropriate coverage levels.
- To periodically review and monitor the Corporation's communication policy with a view to determining whether the Corporation is communicating effectively with stakeholders including shareholders, the investment community and the public generally.
- To establish a process for direct communications with stakeholders, including through the whistleblower policy.
- To review and consider the engagement at the expense of the Corporation of professional and other advisors by any individual director when so requested by any such director.
- To identify and regularly review with management the consolidated principal risks of the Corporation ensuring comprehensive risk management systems and processes are in place to identify, monitor, assess, and mitigate the principal risks. Report to the Board any significant risk matters or concerns. Propose for Board approval, the delegation of certain principal risks to Committees of the Board for oversight within their respected mandates.
- To review such other matters of a corporate governance nature as may be directed by the Board from time to time.

## Composition

- The Committee shall be composed of at least three Directors appointed by the Board from amongst its members, all of whom shall be independent within the meaning of Section 1.4 of National Instrument 52-110 Audit Committees.
- The Chair of the Committee shall be appointed by the Board.
- The Secretary to the Board or another individual selected by the Committee shall act as Secretary of the Committee.
- A quorum shall be a majority of the members of the Committee.
- In addition to independence, all Committee members shall be free from any direct or indirect material relationship(s) that might be reasonably expected to interfere with the exercise of a member's independent judgment.
- Members should have or obtain sufficient knowledge of the Corporation's corporate governance requirements to assist in providing advice and counsel on ongoing compliance and improvements to the Corporation's governance activities.

## Meetings

- The Committee shall meet at least two times per year or more frequently as deemed appropriate by the Chair.
- Agendas, approved by the Chair, shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
- Minutes of each meeting shall be prepared by the Secretary to the Committee and distributed expeditiously.
- Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chief Executive Officer by the Board Chair.
- The Chief Executive Officer shall be available to attend at all meetings of the Committee upon the invitation of the Committee.
- Members of management may be invited to attend any meetings.

## Reporting / Authority

- Following each meeting, in addition to a verbal report, the Committee will report to the Board by way of providing copies of the minutes of such Committee meeting at the next Board meeting after a meeting is held (these may still be in draft form).
- Supporting schedules and information reviewed by the Committee shall be available for examination by any Director.
- The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation.