

# Management Information Circular

Notice of Annual Meeting of Shareholders | **May 10, 2024**



## 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 (“Common Shares”) of the Company (the “Annual Meeting”) to be held virtually on May 10, 2024, at 10:00 a.m. (MT), 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 26, 2024. 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, established that such transferee owns such shares and 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/470452261](http://web.lumiagm.com/470452261) (password “arc2024”). 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](mailto:IR@arcresources.com) no later than 8:00 a.m. (MT), on Wednesday, May 8, 2024. 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/470452261](http://web.lumiagm.com/470452261) using the latest versions of the following compatible internet browsers: Chrome, Safari, Edge, or Firefox. If you are a registered shareholder or duly appointed proxyholder that has registered their appointment, click “I have a login” and enter your Control Number or Proxyholder Username (as applicable) and the password “arc2024” (case sensitive). If you are anyone else, including a beneficial shareholder, click “I am a 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 at [www.arcresources.com](http://www.arcresources.com). If you have any difficulties while accessing and attending the Annual Meeting, contact LUMI at [support-ca@lumiglobal.com](mailto: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 to reduce the volume of shareholder meeting materials that must be physically mailed to shareholders by allowing a reporting issuer to post the materials.

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 (collectively, 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.

Beneficial Shareholders may also call **1-844-916-0609** (toll free) to obtain additional information about the Notice-and-Access Provisions.

## 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](http://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 [www.computershare.com/ARC](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 to [uslegalproxy@computershare.com](mailto:uslegalproxy@computershare.com). Requests for registration must be labelled 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 [www.computershare.com/ARC](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 26, 2024, there were 597,701,988 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 26, 2024, 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 26, 2024, 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 0.30 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](http://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. (MT) on April 19, 2024. A beneficial shareholder may also call **1-844-916-0609** (toll-free) to obtain additional information about the Notice-and-Access Provisions.

# Table of Contents

<b>ARC RESOURCES LTD. INFORMATION CIRCULAR – PROXY STATEMENT</b>	<b>i</b>
Solicitation of Proxies	i
Notice-and-Access	ii
Voting Information	ii
<b>NOTICE OF ANNUAL MEETING OF SHAREHOLDERS</b>	<b>1</b>
<b>LETTER FROM THE BOARD CHAIR</b>	<b>2</b>
<b>MATTERS TO BE ACTED UPON AT THE ANNUAL MEETING</b>	<b>3</b>
Election of Directors	3
Appointment of Independent Auditors	3
Advisory Vote on Executive Compensation	4
<b>INFORMATION ON THE NOMINATED DIRECTORS</b>	<b>5</b>
<b>CORPORATE GOVERNANCE</b>	<b>10</b>
Responsibilities of the Board	10
Director Compensation	19
Director Share Ownership	21
<b>COMPENSATION DISCUSSION AND ANALYSIS</b>	<b>22</b>
Letter from the Chair of the Human Resources and Compensation Committee	22
Compensation Governance	24
Compensation Philosophy	27
Elements of Compensation	29
<b>2023 PERFORMANCE &amp; CORPORATE SCORECARD ASSESSMENT</b>	<b>31</b>
<b>2023 COMPENSATION</b>	<b>35</b>
<b>COMPENSATION TABLES</b>	<b>38</b>
<b>OTHER INFORMATION</b>	<b>47</b>
<b>APPENDICES</b>	<b>49</b>

# Notice of

# Annual Meeting of Shareholders

## Meeting Information

**Date:** Friday, May 10, 2024

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

**Place:** Virtual

## Agenda for the Annual Meeting

1. Receive the consolidated financial statements for the year ended December 31, 2023, 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 Trust Company of Canada, as follows:**



### By Mail

Computershare Trust  
Company of Canada  
Attn: Proxy Department  
P.O. Box 4588, Station A  
Toronto, Ontario  
M5W 9Z9



### 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](http://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 (the "Board") has fixed the record date for the Annual Meeting at the close of business on March 26, 2024.

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 26th day of March 2024.  
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 2024 Annual Meeting of shareholders (the "Annual Meeting") on May 10, 2024 at 10 a.m. MT. The items of business to be considered and acted on at the Annual 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.

Over the last year, we have continued to advance our long-term strategy with the same discipline and focus on profitability that has marked our 28-year history. We delivered a record year for production, reserves and safety with strong performance across our world-class Montney asset base. In May 2023, the Board also sanctioned our next major development, Phase I of our Attachie project.

This year, ARC delivered free funds flow totaling \$790 million (\$1.29 per share) and distributed 96 per cent to shareholders (net of proceeds from divestitures) through a combination of our base dividend and share repurchases. To-date, cumulative dividends distributed to shareholders total approximately \$7.5 billion. With \$1.8 billion of capital investment in 2023 while maintaining low debt levels, we continue to drive profitable growth for ARC and our shareholders now and into the future.

In addition, our top-tier inventory and investment-grade credit rating continue to open doors for the advancement of our liquefied natural gas strategy. This year, ARC secured our second major natural gas supply agreement with Cheniere Energy, Inc., which will connect our low-cost, low-emission natural gas to European markets when the agreement commences in 2029.

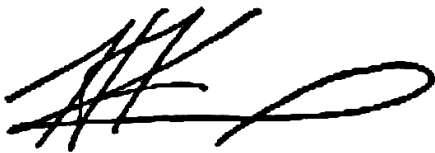
ARC's focus on environmental leadership continued in 2023 with the electrification of our Dawson III and IV facilities. With the completion of this project, all our major natural gas processing facilities in northeast BC are now powered by renewable hydroelectricity. Not only is this an important milestone in achieving our emissions intensity reduction targets, but it also demonstrates that growth and emissions reduction can be achieved together.

Most importantly, all of this incredible activity was accomplished with safety at the forefront. In 2023, ARC recorded our lowest total recordable injury frequency in our history – a testament to the strong safety culture that exists across the Company. I would like to thank our employees and Management team for their ongoing commitment to making safety our first priority.

On behalf of my fellow Directors, I want to extend my sincere gratitude to Farhad Ahrabi and William McAdam for their guidance and leadership as they retire from our Board. I would also like to welcome our newest director, Hugh Connett who joined the Board in February 2024. Hugh brings with him a wealth of knowledge in the development and execution of global natural gas strategies and I look forward to his contributions. In addition, I would like to welcome Michael Culbert who is standing for election. Mike has extensive energy industry experience and his skills and experience will be a great addition to ARC's Board.

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 of ARC on May 10, 2024 (the “Annual Meeting”). Your vote is important. We encourage you to review the information in this information 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 the 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 will have 10 members, eight of whom are independent and nine of whom are non-executive 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, information security, 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. Other than Mr. Culbert, 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 following their election. Each Director will hold office until the next Annual Meeting of shareholders or his or her successor is duly elected or appointed, unless his or her office is earlier vacated.

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	Carol T. Banducci
David R. Collyer	Hugh H. Connett
Michael R. Culbert	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 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 2024. In 2023, shareholders approved the appointment of PwC as auditors with 99.75 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 fair presentation of those financial statements with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).



The Board 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 2022 and 2023 are summarized in the following table.

External Audit Service Fees	Billed in 2022		Billed in 2023	
Audit Fees	\$	1,239,060	\$	1,399,560
Other Fees <sup>(1)</sup>	\$	49,638	\$	40,544
<b>Total Fees</b>	<b>\$</b>	<b>1,288,698</b>	<b>\$</b>	<b>1,440,104</b>

(1) Includes the assessment fee billed by the Canadian Public Accountability Board (“CPAB”) per National Instrument 52-108 Auditor Oversight mandate for reporting issuers to have an audit completed by a CPAB participant firm, fees for services related to an end user computing model, and fees for a research subscription.

The Audit Committee reviewed the audit and permissible non-audit services performed by PwC in 2022 and 2023, 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 leaders for delivering strong performance in alignment with ARC’s corporate strategy and to creating 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 a “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 2024 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 2023 Annual Meeting of Shareholders, this resolution was approved with 96.21 per cent of shares voted in favour.



The Board 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 2023 Committee memberships and attendance, directorships at other public entities, share ownership, and voting results from the last Annual Meeting of shareholders. For further information on our Director nominees, see ARC's website at [www.arcresources.com](http://www.arcresources.com).



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

Mr. Kvisle is a distinguished executive with more than 40 years of 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.

**Age:** 71

Calgary, Alberta, Canada  
Board Chair  
**Director Since 2009**  
Independent

Board Committee Membership	2023 Meeting Attendance
Board (Board Chair)	7 of 7 100%
Annual Meeting Voting Results	Percentage of Votes in Favour
2023	91.12 %
Share Ownership <sup>(1)</sup>	Meets Shareholding Requirements
593,456 shares and share equivalents - \$14,005,562	Met
Current Public Board Directorships	
ARC Resources Ltd. (Board Chair)	
Cenovus Energy Inc.	
Finning International Inc. (Board Chair)	



### 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.

**Age:** 64

Mississauga, Ontario, Canada  
Director  
**Director Since 2021**  
Independent

Board Committee Membership	2023 Meeting Attendance
Board	7 of 7 100%
Audit	4 of 4 100%
Policy & Board Governance	4 of 4 100%
Annual Meeting Voting Results	Percentage of Votes in Favour
2023	99.19 %
Share Ownership <sup>(1)</sup>	Meets Shareholding Requirements
31,753 shares and share equivalents - \$749,371	Has until November 4, 2026
Current Public Board Directorships	
ARC Resources Ltd.	
Hudbay Minerals Inc.	



## 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. He serves as a Director of AltaLink and during 2023 he served as Board Chair of Emissions Reduction Alberta. 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 of Administration from the University of Alberta.

**Age:** 68  
Calgary, Alberta, Canada  
**Director Since 2016**  
**Independent**

### Board Committee Membership

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

### 2023 Meeting Attendance

7 of 7 100%  
5 of 5 100%  
3 of 4 75%  
4 of 4 100%

### Annual Meeting Voting Results

2023

### Percentage of Votes in Favour

98.77 %

### Share Ownership <sup>(1)</sup>

134,801 shares and share equivalents - \$3,181,304

### Meets Shareholding Requirements

Met

### Current Public Board Directorships

ARC Resources Ltd.



## Hugh H. Connett, B.A., B.SC. (ENG.)

Mr. Connett has 40 years of global energy industry experience with extensive experience working across various sectors of the energy value chain including natural gas, power, pipelines and liquefied natural gas (LNG). He has expertise in the development and execution of global gas strategies inclusive of supply, marketing, logistics, risk management, commercial, and business development. Mr. Connett spent 33 years at Chevron Corporation where he held several executive roles including his most recent role as President, Chevron Global Gas. Prior to that, Mr. Connett held the position of President, Global Power. Prior to joining Chevron, he held various technical and leadership roles with Mitchell Energy Corporation. Mr. Connett is involved in several non-profit organizations serving as President of the Board of Directors for a Municipal Utility District, Trustee Member for the Woodlands Water Agency, and an Advisory Board Member for Penn State Berks Campus. He holds a Bachelor of Arts and Sciences and a Bachelor of Petroleum Engineering from PennState University.

**Age:** 65  
Houston, Texas, USA  
**Director Since 2024**  
**Independent**

### Board Committee Membership

N/A

### 2023 Meeting Attendance

N/A

### Annual Meeting Voting Results

N/A

### Percentage of Votes in Favour

N/A

### Share Ownership <sup>(1)</sup>

-

### Meets Shareholding Requirements

Has until February 8, 2029

### Current Public Board Directorships

ARC Resources Ltd.



## Michael R. Culbert, B.Sc.

Mr. Culbert has 35 years of experience in the energy industry, including co-founding Progress Energy where he held the positions of President and CEO and ultimately Vice Chairman of PETRONAS Energy Canada Ltd. until 2020. Mr. Culbert was also an integral member of the PETRONAS LNG team while serving as the President of the Pacific NorthWest LNG from 2013 to 2016. Mr. Culbert currently serves on the Board of Directors of TC Energy and Precision Drilling Corporation and has also previously served on a number of other private and public energy company boards. Mr. Culbert is a past member of the Canadian Association of Petroleum Producers Board of Governors. Mr. Culbert holds a Bachelor of Science Business Administration Degree from Emmanuel College in Boston, Massachusetts. In 2019, Mr. Culbert was awarded the Distinguished Business Leader - Recognizing Ethical Leadership from the University of Calgary Haskayne School of Business and the Calgary Chamber of Commerce.

**Age:** 66  
Calgary, Alberta, Canada  
**New Director Nominee**  
**Independent**

Board Committee Membership	2023 Meeting Attendance
N/A	N/A
Annual Meeting Voting Results	Percentage of Votes in Favour
N/A	N/A
Share Ownership <sup>(1)</sup>	Meets Shareholding Requirements
3,669 shares and share equivalents - \$86,588	Has until May 10, 2029
Current Public Board Directorships	
ARC Resources Ltd.	
Precision Drilling Corporation	
TC Energy	



## 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 Ovintiv 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. Mr. McAllister currently sits on the Board of Mediterra Energy Corporation. He holds a Mechanical Engineering degree from Concordia University.

**Age:** 65  
Calgary, Alberta, Canada  
**Director Since 2020**  
**Independent**

Board Committee Membership	2023 Meeting Attendance
Board	7 of 7 100%
Human Resources & Compensation	5 of 5 100%
Safety, Reserves & Operational Excellence (Chair)	4 of 4 100%
Annual Meeting Voting Results	Percentage of Votes in Favour
2023	99.14 %
Share Ownership <sup>(1)</sup>	Meets Shareholding Requirements
165,575 shares and share equivalents - \$3,907,570	Met
Current Public Board Directorships	
ARC Resources Ltd.	
Mediterra Energy Corporation	



## Marty L. Proctor, B.Sc., M.Sc., P.ENG., ICD.D

Mr. Proctor has more than 35 years of 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.

**Age:** 63  
Calgary, Alberta, Canada  
Director  
**Director Since 2017**  
**Non-independent**

### Board Committee Membership

	2023 Meeting Attendance	
Board	7 of 7	100%
Risk	4 of 4	100%
Safety, Reserves & Operational Excellence	4 of 4	100%

### Annual Meeting Voting Results

	Percentage of Votes in Favour
2023	94.78 %

### Share Ownership <sup>(1)</sup>

	Meets Shareholding Requirements
263,040 shares and share equivalents - \$6,207,744	Met

### Current Public Board Directorships

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



## 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 King's Counsel designation. Ms. Sheppard has also earned the F.ICD.D designation from the Institute of Corporate Directors.

**Age:** 68  
Calgary, Alberta, Canada  
Director  
**Director Since 2016**  
**Independent**

### Board Committee Membership

	2023 Meeting Attendance	
Board	7 of 7	100%
Human Resources & Compensation	5 of 5	100%
Policy & Board Governance (Chair)	5 of 5	100%

### Annual Meeting Voting Results

	Percentage of Votes in Favour
2023	98.15 %

### Share Ownership <sup>(1)</sup>

	Meets Shareholding Requirements
209,891 shares and share equivalents -\$4,953,428	Met

### Current Public Board Directorships

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



## 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 & 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 and mentoring committees 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.

**Age:** 59  
Calgary, Alberta, Canada  
Director  
**Director Since 2019**  
**Independent**

Board Committee Membership	2023 Meeting Attendance	
Board	7 of 7	100%
Audit (Chair)	4 of 4	100%
Risk	4 of 4	100%

Annual Meeting Voting Results	Percentage of Votes in Favour
2023	99.22 %

Share Ownership <sup>(1)</sup>	Meets Shareholding Requirements
158,025 shares and share equivalents - \$3,729,390	Met

### Current Public Board Directorships

ARC Resources Ltd.  
Cameco Corporation  
EPCOR Utilities Inc.



## 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 of 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.

**Age:** 54  
Calgary, Alberta, Canada  
Management Director  
**Director Since 2020**  
**President and CEO**

Board Committee Membership	2023 Meeting Attendance	
Board	7 of 7	100%

Annual Meeting Voting Results	Percentage of Votes in Favour
2023	99.23 %

Share Ownership <sup>(1)</sup>	Meets Shareholding Requirements
443,756 shares and share equivalents - \$10,472,642	Met

### Current Public Board Directorships

ARC Resources Ltd.

(1) Includes Common Shares and share equivalents held as of March 26, 2024. Share equivalents include Deferred Share Units ("DSUs") and Restricted Share Units ("RSUs") and Long-term Restricted Share Awards ("LTRSAs") for Mr. Anderson. The value is based on the March 26, 2024 closing share price of \$23.60.

# Corporate Governance

We believe sound corporate governance builds trust with our stakeholders and Indigenous communities 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, 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 leadership succession. These priorities encompass: strategic planning; financial and operational performance; risk management; culture and ethical business conduct; ESG oversight; Board composition, nomination and diversity; succession planning and leadership development; Board effectiveness, performance 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			Governance			Succession	
							
<b>Strategic Planning</b>	<b>Financial &amp; Operational Performance</b>	<b>Risk Management</b>	<b>Cultural &amp; Ethical Business Conduct</b>	<b>ESG Oversight</b>	<b>Board Composition, Nomination &amp; Diversity</b>	<b>Succession Planning &amp; Leadership Development</b>	<b>Board Effectiveness, Assessment &amp; Education</b>

## 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 the Company’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 throughout the year are reviewed and must be 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 Performance Scorecard (the “Corporate Scorecard” or the “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 commits two days for a focused strategic planning session where 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. Effective for the 2024 meeting schedule, the Risk Committee was dissolved. The Risk Committee was originally comprised of the entire Board and to create efficiency it was determined that a separate Committee was no longer required. The Committee's responsibilities were reassigned to the Board with certain responsibilities reallocated to the Policy & Board Governance and Audit Committees.

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](http://www.arcresources.com).

**ARC monitors five categories of organizational risk:**



**Strategic**



**Business Environment**



**Operations**



**ESG**



**Organization & Systems**

## 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 Audit Committee. With Management, the Audit Committee is responsible for the risk oversight of ARC's information technology, systems security and its strategy to address and mitigate cybersecurity threats. Management provides a quarterly cybersecurity update to the Board through the Audit Committee. ARC's cybersecurity program is modelled and assessed against an industry standard framework, National Institute of Standards and Technology ("NIST"), as well as being North American Electric Reliability Corporation Critical Infrastructure Protection ("NERC CIP") compliant. ARC's program includes ongoing cybersecurity education and quarterly awareness training for all employees. ARC's cybersecurity controls are evaluated through the periodic engagement of independent third parties to assess risk, test controls, and measure the progress and maturity of our program against industry benchmarks. ARC has never experienced any material security breaches or system compromise and substantial efforts continue to be made to continue to mitigate this risk in the future.

## 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](http://www.arcresources.com) and under ARC's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca)

## ESG Oversight

Responsible energy development and profitable returns have always defined how we do business at ARC. ARC’s employees, Indigenous community partners and other stakeholders 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 annually in our ESG Report which is available on our website at [www.arcresources.com](http://www.arcresources.com). Our reporting is aligned to established international guidelines and standards including: the Global Reporting Initiative and the Sustainability Accounting Standards Board, among others.

The following outlines the ESG oversight responsibilities of the Board, its Committees and Management:

Board ESG Oversight Responsibilities			
<ul style="list-style-type: none"> <li>Overall ESG strategy and risk management</li> <li>Delegation of specific ESG responsibilities to committees</li> </ul>	<ul style="list-style-type: none"> <li>Climate risk and carbon emissions goals and measurement</li> <li>Energy transition</li> </ul>	<ul style="list-style-type: none"> <li>Indigenous relations and social and diversity policies</li> <li>Government policy and regulations</li> </ul>	
Committee ESG Oversight Responsibilities			
Policy & Board Governance	Safety, Reserves & Operational Excellence	Human Resources & Compensation	Audit
<ul style="list-style-type: none"> <li>Major corporate and governance related policies delegated to the Committee or not specifically in the remit of another Committee</li> <li>Code of Business Conduct and Ethics</li> <li>Board composition, skills and succession</li> <li>Corporate governance structure, including Committee mandates</li> <li>Monitoring the process of corporate risk identification and mitigation strategies for the Board and ensuring oversight of the risks delegated to other Committees</li> </ul>	<ul style="list-style-type: none"> <li>Environment and safety performance and targets</li> <li>Operational impact on communities (land use, air, water, road use, noise, induced seismicity)</li> <li>Review material Indigenous relationships and community impact initiatives in our operating areas</li> <li>Lead Committee that coordinates the content of the ESG Report among the Board Committees for the Board</li> </ul>	<ul style="list-style-type: none"> <li>Social indicators including culture, succession planning and development, workforce planning, Diversity, Equity and Inclusion (“DE&amp;I”)</li> <li>Executive compensation decisions and determining and the assessing the Corporate Scorecard performance metrics</li> </ul>	<ul style="list-style-type: none"> <li>Reviewing the disclosure in quarterly and annual reporting and financial filings related to ESG</li> <li>Cybersecurity</li> </ul>
Management ESG Oversight Responsibilities			
<ul style="list-style-type: none"> <li>Recommending ESG strategy, priorities and ESG-related capital allocation decisions to the Board</li> </ul>	<ul style="list-style-type: none"> <li>Reporting to the Board on ESG performance indicators and policy considerations</li> </ul>	<ul style="list-style-type: none"> <li>Safe, responsible execution of business plans</li> </ul>	

## Active Engagement with Shareholders

We regularly engage with our shareholders to build trust and ensure ongoing communication involving our corporate strategies, 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 and other Committee Chairs are also available to meet with shareholders as appropriate.

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

- Annual shareholder meeting
- 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 inquiries through an electronic inbox and through a toll-free line for shareholders
- Providing direct access to the Board through a Board of Directors email (**Board@arcresources.com**)

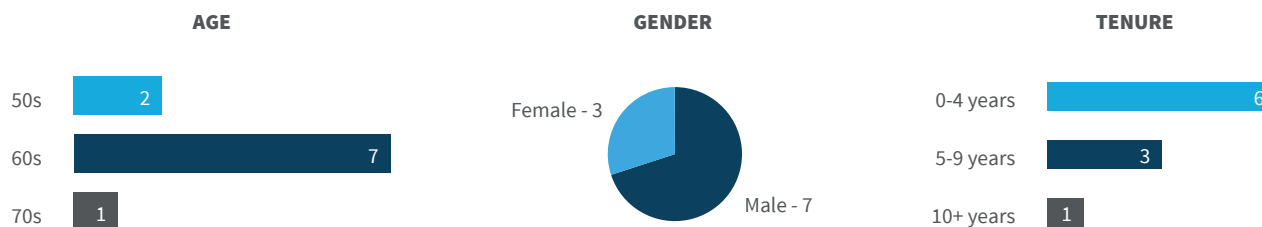
We also consider recommendations of proxy advisory firms and organizations that represent or advise shareholders on matters of governance, such as Institutional Shareholder Services; Glass, Lewis & Co.; and the Canadian Coalition for Good Governance.

## 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 a range of skills and backgrounds that will assist ARC in advancing its strategic objectives. We also believe that having a diverse Board with broad perspectives and experience is critical to effective decision-making and performance.

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 its Committees annually and is responsible for Director succession planning and for identifying and recommending new candidates to the Board. Independent Directors meet in camera without Management present at each meeting of the Board and its Committees.

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 (“NI 58-101”). Terry M. Anderson, the current President and CEO of the Company, and Marty L. Proctor, the former President and CEO of Seven Generations are not considered 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](http://www.arcresources.com).

### Material Interests and Related Party Transactions

In accordance with the Business Corporations Act (Alberta) a Director who is a party to a material contract or transaction or proposed material contract or transaction with ARC or is a Director or Officer of, or has a material interest in, a party to a material contract or transaction or proposed material contract or transaction with ARC must disclose their interest therein and abstain from voting on that contract or

transaction. It is also the practice of the Board to excuse affected Directors from that portion of the meeting in which such contract or transaction is discussed.

To the extent that such contract or transaction constitute a related party transaction under applicable Canadian securities law, the Audit Committee is responsible for reviewing all related party transactions and ensuring the nature and extent of such transaction is properly disclosed.

In order to proactively identify potential conflicts of interests, throughout the year, ARC's Directors and Officers provide written confirmations of their roles and other interests with companies and organizations other than ARC.

As of the date of this information circular, no such conflicts have been identified.

## **Disclosure & Insider Trading and Anti-Hedging Policy**

ARC has adopted a Disclosure & Insider Trading Policy to ensure communications by 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, Officers, and employees.

The Disclosure & Insider Trading Policy also outlines those Directors, Officers, 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.

## **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

In October 2023, the Board resolved to dissolve the Risk Committee, leaving the standing Committees of the Board as the Audit Committee, Human Resources and Compensation Committee, the Policy and Board Governance Committee and the Safety, Reserves and Operational Excellence Committee. Below is the composition as of the record date of the four Committees of the Board. The Board performs its mandated responsibilities, in part, through the activities of these four Committees. Each has a specific mandate that is reviewed and approved annually and can be referred to on ARC's website at [www.arcresources.com](http://www.arcresources.com). Committees meet at least quarterly, and Committee membership is reviewed at least annually.

Committee	Current Members	Summary of Responsibilities
<b>Audit</b>	<ul style="list-style-type: none"> <li>Leontine van Leeuwen-Atkins (Chair)</li> <li>Carol T. Banducci</li> <li>Hugh H. Connett</li> <li>William J. McAdam</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>Recommends the appointment of, and provides oversight to, the external auditors and monitors their qualifications, independence, and performance</li> <li>Provides risk oversight of financial reporting and compliance, material interests, and related party transactions</li> <li>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</li> <li>Risk oversight of ARC's information technology, systems security, and its strategy to address and mitigate cybersecurity threats</li> </ul>
<b>Human Resources &amp; Compensation</b>	<ul style="list-style-type: none"> <li>David R. Collyer (Chair)</li> <li>Michael G. McAllister</li> <li>M. Jacqueline Sheppard</li> </ul>	<ul style="list-style-type: none"> <li>Reviews the Company's compensation programs to ensure pay-for-performance alignment, market competitiveness, and alignment with the interests of ARC's shareholders</li> <li>Oversight of the Corporate Scorecard process including, the recommendation of annual performance metrics, weightings and targets; and leads the process for the annual assessment of the accomplishments of the scorecard to determine the final score.</li> <li>Approves compensation decisions for all Named Executive Officers ("NEOs"), leads the process of annual performance review of the CEO in conjunction with the Board Chair and provides recommendations to the Board on the compensation for the CEO</li> <li>Ensures a deliberate process for succession, progression, and development is conducted within the organization and reviewed with the Board annually. In conjunction with the Chair and the Board, leads activities related to CEO succession</li> <li>Assesses and manages social indicators and risk related to workforce talent management, culture, hiring practices, D,E&amp;I, human rights, succession planning, and compensation</li> </ul>
<b>Policy &amp; Board Governance</b>	<ul style="list-style-type: none"> <li>M. Jacqueline Sheppard (Chair)</li> <li>Carol T. Banducci</li> <li>David R. Collyer</li> </ul>	<ul style="list-style-type: none"> <li>Reviews the effectiveness of the Board, Committees, and individual Board members through the annual assessment process, which includes a 360-degree assessment every second year</li> <li>Oversees Board recruitment, composition and skills, diversity, and succession planning</li> <li>Oversight of major corporate and governance-related policies delegated to the committee, including the Code of Business Conduct and Ethics</li> <li>Responsible for the corporate governance structure, including oversight of Board and Committee mandates</li> <li>Monitors the process of corporate risk identification and mitigation strategies for the Board and as delegated to other Committees.</li> </ul>
<b>Safety, Reserves &amp; Operational Excellence</b>	<ul style="list-style-type: none"> <li>Michael G. McAllister (Chair)</li> <li>Hugh H. Connett</li> <li>William J. McAdam</li> <li>Marty Proctor</li> <li>Leontine van Leeuwen-Atkins</li> </ul>	<ul style="list-style-type: none"> <li>Reviews and monitors ARC's performance with respect to health, safety, and environmental programs and activities</li> <li>Recommends environmental and safety performance metrics and targets</li> <li>Reviews the terms of engagement of independent reserves and resource evaluators, the conduct of reserves and resource evaluations and leads the annual reserves process</li> <li>Reviews the efficiency and effectiveness of base operating performance and capital execution</li> <li>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, road use and induced seismicity</li> <li>Review and recommends to the Board the corporate approach to ESG reporting and receives Board and other Committee input to the report as the lead coordinating committee.</li> </ul>

## **Board and Committee Membership Changes**

Susan Jones stepped down from the Board on February 28, 2023 and Farhad Ahrabi stepped down on January 1, 2024. Hugh Connett was appointed to the Board on February 8, 2024. William McAdam is not seeking re-election at the 2024 Annual Meeting and Michael R. Culbert has been nominated for election.

In conjunction with the dissolution of the Risk Committee, effective for the 2024 meeting schedule, Leontine van Leeuwen-Atkins joined the Safety, Reserves & Operational Excellence Committee and William McAdam joined the Audit Committee. As a result of these changes and a review of Committee membership, David Collyer stepped off the Safety, Reserves & Operational Excellence Committee.

Upon his appointment, Hugh Connett joined the Audit and Safety, Reserves and Operational Excellence Committees.

## **Director Nomination Process**

In the event of a Board vacancy or an experience gap on the Board and to ensure that the Board accesses a broad and diverse pool of the best qualified individuals, the Board Chair, with the Policy and Board Governance Committee and the CEO, leads the process of Board renewal and succession including retaining an external search firm to help identify candidates for future Directors. The Board Chair and the Policy and Board Governance Committee, with input from the CEO, evaluates prospective Director candidates and their relevant skills and experience as it relates to the Director Skills Matrix, current Board composition, diversity, and future strategic plans of the organization. Once potential candidates have been determined, a comprehensive interview process is conducted.

New Board members are recruited with the expectation that they will serve for a minimum of seven years, subject to performance, personal circumstances, and ARC's majority voting policy. The Board believes that diversity on the Board provides a broad range of perspectives and insights and therefore seeks new Board members who have a variety of skills, thoughts, backgrounds, and experience to serve the current and future needs of ARC.

Annually in advance of each Annual Meeting, the Board Chair and the Policy and Board Governance Committee review the list of Directors and their requisite skills and experience in the context of our Internal Board Renewal Guidelines, to be nominated for election at the Annual Meeting 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. The Director's Skills Matrix is aligned with ARC's strategic framework. All current Board members have relevant and complementary experience in the components of our strategic priorities. Each Directors' top three areas of expertise are highlighted in green.

	Harold N. Kvisle	Carol T. Banducci	David R. Collyer	Hugh H. Connett	Michael R. Culbert	Michael G. McAllister	Marty L. Proctor	M. Jacqueline Sheppard	Leontine van Leeuwen-Atkins	Terry M. Anderson
<b>High-quality Assets &amp; Operational Excellence</b>										
<b>Energy Industry:</b> 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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Reserves Evaluation:</b> oil and gas reserves assessment and evaluation experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Profitable Capital Allocation:</b> experience with complex capital allocation decision making and analysis to enhance long-term value creation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Health, Safety and Environment:</b> direct experience and knowledge of industry regulations and best practices related to workplace health, safety, and environment	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Global Experience:</b> senior executive international business experience	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Commercial Activities &amp; Risk Management</b>										
<b>Strategic Planning:</b> experience in leading and developing sustainable business strategies to create value and managing business development activities for short-term and long-term results	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Change Management:</b> experience leading major organizational change and/or managing significant M&A activities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Commercial Activities:</b> experience and knowledge of strategies to proactively leverage market access opportunities and leverage potential commercial opportunities via midstream and downstream businesses	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Decision Quality:</b> 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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Risk Evaluation:</b> experience in evaluating and managing a broad range of current and potential future business risks, including ESG factors	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Financial Sustainability &amp; Return on Investment</b>										
<b>Financial Expertise:</b> formal qualifications and/or management experience in financial reporting, internal controls, and corporate finance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Financial Literacy:</b> ability to critically read and analyze financial statements	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Business Economics:</b> experience in analysis of project and corporate returns	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>People &amp; ESG Leadership</b>										
<b>ESG Oversight:</b> experience or knowledge of the risks related to a broad range of environmental indicators (emissions, air, water, climate), cybersecurity, social indicators (culture, safety, Indigenous and community relations) and overall shareholder engagement and communication	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Corporate Governance:</b> 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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Public Policy/Government Relations:</b> 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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>Human Resources and Compensation:</b> experience with responsibility for human resources, compensation design and decision-making, organizational design and culture, and succession planning	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

## Diversity, Equity & Inclusion Policy

The Board believes that an informed, curious, and engaged team with a diverse mix of expertise, experiences, perspectives, and backgrounds is a critical component of the Board's effectiveness and the Company's success. The Board believes this should be evidenced through the diverse representation of highly qualified individuals on the Board, in Management, and throughout the organization.

Accordingly, ARC is a member of the 30% Club and has a formal Diversity, Equity & Inclusion Policy. In addition, ARC creates a work environment where everyone can feel that they belong, can be their best and is focused on developing collective knowledge to ensure an inclusive workplace. These commitments can be found in our Diversity, Equity & Inclusion Policy at [www.arcresources.com](http://www.arcresources.com).

ARC is committed to our target of 30 per cent gender diverse representation on our Board and in Management through our succession process. ARC has currently achieved this goal with our Board comprised of 30 per cent female representation and the executive team comprised of 31 per cent female representation. Additionally, ARC established 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. An anonymous self-identification survey was conducted with employees and the Board. This information will inform and evolve our strategy in the coming years.

Throughout 2024 we will be conducting a review of our targets beyond gender, in accordance with our internal guidelines and policies. 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 is responsible 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.

To further demonstrate our priority of developing internal candidates, in February 2024, Michael C. Capon was promoted to Vice President, Information Technology.

To learn more about the members of the Management team refer to ARC's Annual Information Form dated March 7, 2024 or ARC's website at [www.arcresources.com](http://www.arcresources.com).

### Board Effectiveness and Director Assessment

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, which offers an opportunity to provide feedback on the effectiveness of the Board and its Committees. The results of the questionnaire are analyzed by the Board Chair and the Policy and Board Governance Committee, who determine whether any changes are needed at the Board level including to Board processes, mandates, composition, or Committee structure. While this is an ongoing discussion, the Board formally meets each year to review the results of the evaluation and to discuss ways to improve the effectiveness and efficiency of the Board. The Board Chair meets individually with each Director to discuss the same on a one-on-one basis.

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. The CEO is evaluated as part of Management each year. 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. In addition, each Director is provided the opportunity to provide feedback to the Chair. It is understood that underperformance could result in a Director not being nominated for re-election.



## 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
- An invitation to attend all Committee meetings of the Board
- A review of recent operational and financial information, as well as governance documents and information relating to the duties and obligations 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 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:

- A quarterly review of the Corporate Scorecard and other 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 through 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 2023, 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-related policies, 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-executive 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 up to 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 consultation with Mercer, our 2023 compensation review indicated that our current Director fees compared to our peers were below the median. As a result, in Q2 2023, we increased our Board member retainer by approximately nine per cent and our Chair retainer by four percent. All other elements of Director compensation remained flat. The following table outlines the Board and committee retainer fee schedule for non-executive Directors prior to and after the adjustment.

## Total Director Compensation

2023 Director Fees	January – June	July – December
Cash Retainer:		
Board Chair	\$170,000	\$178,000
Board Member	\$92,000	\$100,000
Audit Committee Chair	\$10,000	\$10,000
Other Committee Chair	\$6,000	\$6,000
Equity Compensation	150% of Cash Retainer	150% of Cash Retainer
<b>Total Director Compensation</b>	<b>40% Cash / 60% Equity</b>	<b>40% Cash / 60% Equity</b>

The following table presents the total compensation earned in 2023 for each non-executive Director.

Director <sup>(1)</sup>	Board Chair or Member Retainer	Committee Chair Retainer	Total Cash Retainer Fees Earned	Share-based Awards (DSUs) <sup>(2)</sup>	Other Compensation	Total Compensation	Portion Taken as Cash	Portion Taken as DSUs
Harold N. Kvisle	\$ 174,000	\$ —	\$ 174,000	\$ 261,039	\$ —	\$ 435,039	\$ —	\$ 435,039
Farhad Ahrabi	\$ 96,000	\$ 6,000	\$ 102,000	\$ 153,036	\$ —	\$ 255,036	\$ —	\$ 255,036
Carol T. Banducci	\$ 96,000	\$ —	\$ 96,000	\$ 144,015	\$ —	\$ 240,015	\$ —	\$ 240,015
David R. Collyer	\$ 96,000	\$ 6,000	\$ 102,000	\$ 153,000	\$ —	\$ 255,000	\$ 101,982	\$ 153,018
Susan C. Jones <sup>(3)</sup>	\$ 15,078	\$ —	\$ 15,078	\$ 22,616	\$ 870,404	\$ 908,098	\$ 885,478	\$ 22,620
William J. McAdam	\$ 96,000	\$ —	\$ 96,000	\$ 144,000	\$ —	\$ 240,000	\$ 95,960	\$ 144,040
Michael G. McAllister	\$ 96,000	\$ 6,000	\$ 102,000	\$ 153,000	\$ —	\$ 255,000	\$ 101,982	\$ 153,018
Marty L. Proctor	\$ 96,000	\$ —	\$ 96,000	\$ 144,000	\$ —	\$ 240,000	\$ 95,960	\$ 144,040
M. Jacqueline Sheppard	\$ 96,000	\$ 6,000	\$ 102,000	\$ 153,036	\$ —	\$ 255,036	\$ —	\$ 255,036
Leontine van Leeuwen-Atkins	\$ 96,000	\$ 10,000	\$ 106,000	\$ 159,000	\$ —	\$ 265,000	\$ 105,961	\$ 159,039
<b>Total</b>	<b>\$ 957,078</b>	<b>\$ 34,000</b>	<b>\$ 991,078</b>	<b>\$ 1,486,742</b>	<b>\$ 870,404</b>	<b>\$ 3,348,224</b>	<b>\$ 1,387,323</b>	<b>\$ 1,960,901</b>

(1) Excludes Mr. Anderson who was a Management Director during 2023.

(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. Jones stepped down from the Board on February 28, 2023, and her annual fees were pro-rated. Other Compensation reflects the cash payment for outstanding DSUs that she elected to receive in April 2023.

## Equity-based Awards

The following table sets forth information on the number and value of DSU awards held by non-executive Directors that were outstanding and fully vested as of December 31, 2023.

Director <sup>(1)</sup>	Number of DSUs	Estimated Payout Value of DSUs <sup>(2)</sup>
Harold N. Kvisle	419,802	\$8,257,505
Farhad Ahrabi	109,044	\$2,144,895
Carol T. Banducci	30,468	\$599,306
David R. Collyer	113,806	\$2,238,564
William J. McAdam	180,670	\$3,553,779
Michael G. McAllister	36,137	\$710,815
Marty L. Proctor	28,868	\$567,834
M. Jacqueline Sheppard	199,288	\$3,919,995
Leontine van Leeuwen-Atkins	139,084	\$2,735,782

(1) Excludes Mr. Anderson who was a Management Director during 2023.

(2) Calculated based on the closing price of the Common Shares on December 31, 2023, of \$19.67 multiplied by the number of DSUs on such date and adjusted to reflect dividends.

## Director Share Ownership

In 2022, we increased our minimum share ownership requirement 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, 2023, and as outlined below, all non-executive 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 <sup>(1)</sup>	Total Common Shares and Share Equivalents	Total Market Value of Common Shares and Share Equivalents <sup>(2)</sup>	Value At-risk as Multiple of Annual Retainer <sup>(3)</sup>	Meets Minimum Share Ownership Requirement
Harold N. Kvisle	2023	170,000	419,802	589,802	\$11,601,405	26	Yes
	2022	170,000	381,946	551,946	\$10,073,095	23	Yes
Farhad Ahrabi	2023	—	109,044	109,044	\$2,144,895	8	Yes
	2022	—	91,653	91,653	\$1,672,667	7	Yes
Carol T. Banducci	2023	1,000	30,468	31,468	\$618,976	2	No
	2022	—	16,618	16,618	\$303,279	1	No
David R. Collyer	2023	20,000	113,806	133,806	\$2,631,964	10	Yes
	2022	20,000	101,687	121,687	\$2,220,788	9	Yes
William J. McAdam	2023	88,641	180,670	269,311	\$5,297,347	21	Yes
	2022	88,641	166,703	255,344	\$4,660,028	20	Yes
Michael G. McAllister	2023	129,113	36,137	165,250	\$3,250,468	13	Yes
	2022	53,113	26,722	79,835	\$1,456,989	6	Yes
Marty L. Proctor	2023	233,909	28,868	262,777	\$5,168,824	20	Yes
	2022	232,801	20,188	252,989	\$4,617,049	20	Yes
M. Jacqueline Sheppard	2023	8,864	199,288	208,152	\$4,094,350	16	Yes
	2022	8,864	178,754	187,618	\$3,424,029	14	Yes
Leontine van Leeuwen-Atkins	2023	17,728	139,084	156,812	\$3,084,492	12	Yes
	2022	17,728	125,762	143,490	\$2,618,693	11	Yes

(1) The number of DSUs reflects dividends paid on Common Shares to December 31, 2023 or 2022.

(2) Value based on closing share price of Common Shares of \$19.67 on December 31, 2023 (\$18.25 on December 31, 2022).

(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 2023 performance and of the resulting performance assessment and pay decisions made for the CEO and other NEOs of ARC.

#### 2023 Performance & Pay Decisions

2023 was a very strong year for ARC, marked by several significant milestones including the sanctioning of Attachie Phase I and entering into the long-term natural gas supply agreement with Sabine Pass Liquefaction Stage V, LLC, a subsidiary of Cheniere Energy, Inc. ("Cheniere"). ARC delivered on its strategy of safe and efficient Montney development to drive long-term value creation with production, reserves and safety performance achieving 28-year records. ARC returned 110 per cent of free funds flow to shareholders through the base dividend and share repurchases.



**David Collyer**  
Chair, Human Resources & Compensation Committee

#### Key Highlights:

- **Outstanding safety performance:** Achieved outstanding safety performance through an extremely busy and complex operational year, with the lowest total recordable injury frequency in ARC's history (a 16 per cent year-over-year improvement). In addition, the Company advanced key safety initiatives (including process safety) to reinforce our long-term safety strategy.
- **Profitable execution of a \$1.8 billion capital expenditure<sup>(1)</sup> program:** Safe and efficient execution of a \$1.8 billion capital program, including the advancement in Attachie Phase I and capital expenditures to drill a total of 148 wells and complete 151 wells. Completed the Sunrise facility expansion and the electrification of the Dawson III and IV facilities.
- **Record production:** Achieved record full-year average production of 351,954 boe per day.
- **Enhanced revenues:** Market diversification strategy resulted in an annual average realized natural gas price of \$3.77 per Mcf, 29 per cent higher than the average AECO 7A Monthly Index price for 2023.
- **Strong free funds flow and balance sheet:** Generated \$2.6 billion (\$4.32 per share)<sup>(2)</sup> of funds from operations<sup>(3)</sup> and \$790 million (\$1.29 per share)<sup>(4)</sup> of free funds flow<sup>(5)</sup>. Strong balance sheet at 0.5 times<sup>(3)</sup> net debt to funds from operations.
- **Shareholder returns:** Distributed 110 per cent (96 per cent net of proceeds from divestitures) of free funds flow to shareholders through dividends and share repurchases. Increased the quarterly dividend by 13 per cent to \$0.17 per quarter and delivered top quartile returns compared to our peers.
- **New business opportunities:** Entered into a second long-term natural gas supply agreement with Cheniere to deliver gas to their Sabine Pass Stage 5 Expansion Project which will further diversify natural gas revenues.
- **Record reserves replacement:** Record reserves across all categories, increasing between 12 per cent and 13 per cent per share on a proved producing ("PDP"), proved ("1P") and proved plus probable ("2P") basis. 2P reserves additions of 310 MMboe were the highest in ARC's 28-year history, and for the 16th consecutive year 2P reserve replacement from development activities was greater than 140 per cent.
- **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 being certified under this global standard, representing the largest certified upstream production base in Canada.

In summary, 2023 was a year of excellent operational performance, advancing key initiatives to position the company strategically for the longer term and significant improvement in returns to shareholders. Following a comprehensive review of the year-end results relative to the metrics and targets established for 2023, 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 Board are very positive about the strategic and operational results delivered by the ARC team and consider this scorecard assessment to be very well-aligned with ARC's overall 2023 performance.

An overview of ARC's compensation methodology and process, along with a more detailed description of 2023 performance achievements can be found in the following section. Details regarding Mr. Anderson's and other NEO's compensation for 2023 are also provided.

## 2023 Compensation Plan

2023 marked a year of stability for our compensation programs following the compensation redesign that took effect in 2022 and aligned all employees under one compensation plan. In 2023, all remaining outstanding Seven Generations Energy Ltd. (“Seven Generations”) long-term incentives awards vested. 2023 was also the last year for the transition period related to the calculation of the performance multiplier for outstanding Performance Share Units (“PSUs”) which will vest in 2024. For grants vesting in 2024, the performance multiplier will be based 50 percent on relative Total Shareholder Return (“TSR”) and 50 per cent on the three-year average of the Corporate Scorecard for the years 2021, 2022 and 2023. All new grants made since 2022 (which begin vesting in 2025) will be calculated under the new program, which has discrete metrics for the determination of Short-term Incentives (“STI”) and Long-term Incentives (“LTI”). Commencing with the vesting in 2025, the PSU performance multiplier will be determined based on the assessment of the LTI scorecard metrics over the three-year period 2022-2024, including relative TSR performance weighted at 50 per cent.

In 2023, the following enhancements to our compensation design were implemented:

- Adjusted the split of LTI for the CEO from 90 per cent PSUs and 10 per cent RSUs to 80 per cent PSUs and 20 per cent RSUs, to align the CEO split with the other members of the executive team and to better align with current market practice.
- Effective in 2024, the production threshold for the PSU peer group used to calculate relative TSR was increased from 50,000 boe per day to 80,000 boe per day in order to better reflect ARC’s increased size.

## Summary

The CD&A set forth in the following pages outlines in detail our 2023 compensation plan and governance practices, our 2023 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 2023 Annual Meeting, received a favourable “say on pay” vote of 96.21 per cent.

Based on the Company’s results in 2023, we strongly believe that the Board decisions regarding executive compensation reflect the key objectives of our compensation program – market competitiveness, rewarding performance, reinforcing the culture and business objectives of the Company, and aligning with the experience of our shareholders.

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 Accounting Standards 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 used in investing activities. See “Non-GAAP and Other Financial Measures” in ARC’s Management’s Discussion & Analysis as at and for the three months and year ended December 31, 2023 (the “2023 Annual MD&A”), available on ARC’s website at [www.arcresources.com](http://www.arcresources.com) and under ARC’s SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca), 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 2023 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) See Note 15 “Capital Management” of ARC’s audited consolidated financial statements as at and for the year ended December 31, 2023 (the “financial statements”) and “Non-GAAP and Other Financial Measures” in the 2023 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 Accounting Standards 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 2023 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 Accounting Standards 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 2023 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, reward performance, reinforce the organizational culture and business 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 2023 compensation policies and practices:

## What We Do

### ✓ **Defined Mandate of the HRC Committee:**

- The HRC Committee consists of all independent Directors who are experienced and qualified
- The HRC Committee and the Board assess 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

### ✓ **Pay-for-performance and Significant At-risk Pay:**

- 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 60 per cent of total compensation is comprised 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 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

### ✓ **Share Ownership Guidelines and Post-retirement Hold Periods:**

- 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. ARC's policy includes Common Shares owned, RSUs and LTRS as share equivalents but does not include any performance based (PSUs) or option based awards.
- 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

### ✓ **Risk Mitigation, Clawback and Anti-hedging Policy:**

- 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

### ✓ **Change of Control Agreements:**

- 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 any termination benefit

## What We Do Not Do

- X** No executive employment contracts have multi-year guaranteed pay increases, bonus awards, or long-term incentive grants
- X** No change of control or termination payments greater than two times cash pay multiple for our executives, including the CEO
- X** No re-pricing, back-dating, or cancellation of options. ARC suspended Share Option grants in 2019
- X** No payment of dividends on long-term incentives prior to vesting
- X** No pension plan

## Clawback Policy

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 that the Officer engaged in willful misconduct or fraud which had a detrimental effect on the Company or its subsidiaries or requires 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 his base salary for one-year post-retirement. In addition, ARC has an inherent hold period for all executives as RSUs, PSUs, options to purchase Common Shares (“Share Options”) and Long-term Restricted Share Awards (“LTRSAs”) continue to vest on schedule after retirement.

## 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 the 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. ARC’s policy includes Common Shares owned, RSUs and LTRSAs as share equivalents but does not include any PSUs or option based awards. 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, 2023:

Officer	Required Share Ownership as a Multiple of Base Salary	Number of Shares and Share Equivalents as of December 31, 2023 <sup>(1)</sup>	Value as of December 31, 2023 <sup>(2)</sup>	Multiple of Base Salary	Meets Minimum Share Ownership Requirement
Terry M. Anderson	5	446,232	\$8,777,383	13	Yes
Kristen J. Bibby	3	191,904	\$3,774,752	8	Yes
Armin Jahangiri	3	101,405	\$1,994,636	4	Yes
Larissa M. Conrad	3	134,571	\$2,647,012	6	Yes
Ryan V. Berrett	3	84,097	\$1,654,188	4	Yes

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

(2) Based on the December 31, 2023 closing price for ARC’s Common Shares of \$19.67.

The following table details the holdings of our CEO as of December 31, 2023. Mr. Anderson holds over five times his base salary in common shares:

Element	Number Held as of December 31, 2023 <sup>(1)</sup>	Value as of December 31, 2023 <sup>(2)(3)</sup>
Common Shares (Privately Held)	188,258	\$3,703,035
Restricted Share Units	63,423	\$1,247,530
Long-term Restricted Share Awards	194,551	\$3,826,818
<b>Total Common Share &amp; Share Equivalents</b>	<b>446,232</b>	<b>\$8,777,383</b>
Performance Share Units	623,864	\$18,599,334
Share Options	188,277	\$1,457,953
<b>Total</b>	<b>1,258,373</b>	<b>\$28,834,670</b>

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

(2) Based on the December 31, 2023 closing price for ARC's Common Shares of \$19.67.

(3) PSUs are valued using the performance multipliers as of December 31, 2023.

## 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, provided other services to ARC that are unrelated to executive and Director compensation in 2022.

The HRC Committee has worked with Mercer since 2004. In 2022 and 2023, Mercer was engaged to review ARC's Executive Compensation Peer Group, executive and Director compensation recommendations, provide market updates, and advise on annual CEO compensation targets.

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

Fees Paid & Insurance	2022	2023
Mercer – Executive Compensation-Related Fees	\$143,180	\$161,786
Marsh Canada – All Other Fees <sup>(1)</sup>	\$1,958,734	—
<b>Total – Marsh &amp; McLennan Companies, Inc.</b>	<b>\$2,101,914</b>	<b>\$161,786</b>

(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, granted versus realized compensation).

## Market Competitiveness

ARC has been successful 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 out-performance.

To determine executive compensation, the HRC Committee reviews 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 publicly disclosed information 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 LTI targets are determined and unvested LTIs are 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 relevant 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. There were no changes to the peer group made in 2023.

Based on the selection criteria and process outlined above, ARC's 2023 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.	Pembina Pipeline Corp.
Crescent Point Energy Corp.	Peyto Exploration & Development 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 the operational priorities of the Company. We use a deliberate, disciplined process to determine individual and corporate performance targets and holistically measure the overall performance of the Company. This disciplined approach underscores ARC's commitment to good governance and alignment with shareholder interests.

The Corporate Scorecard is designed to align with the four areas of ARC's corporate strategy as our 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.

Specifically, ARC uses a Corporate Scorecard to create clarity and focus for the Company on key deliverables to advance ARC's strategy. The corporate scorecard is determined annually and in conjunction with the approval of the Company's budget and business plan. Equally important, the corporate scorecard creates frequent and in-depth conversations amongst the Board, Management, and employees throughout the year.

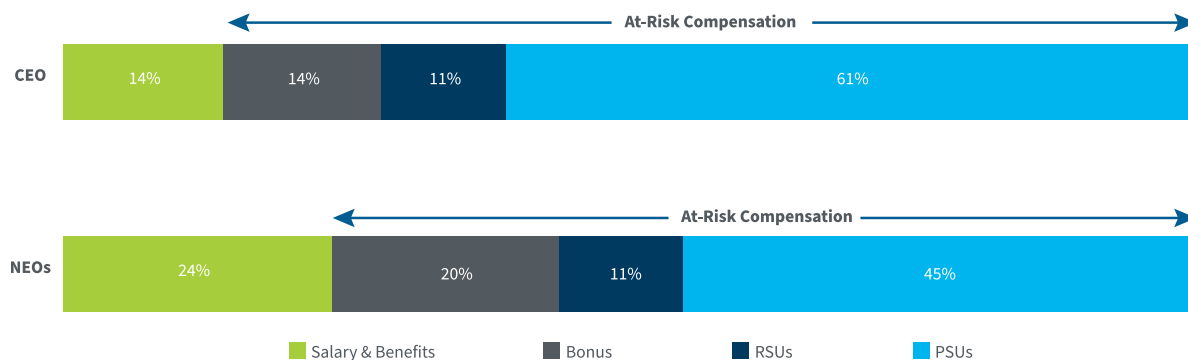
For the purposes of compensation, the Corporate Scorecard has specific performance metrics and targets for STI and LTI. The assessment of the achievement of the STI targets occurs after annual year-end results are finalized and is used to determine the compensation pool for the annual bonus program. The assessment of the achievements of the LTI targets occurs at the end of the three-year performance period and is used to determine 50 percent of the performance multiplier for PSU vesting payments, with the other 50 per cent based on relative TSR performance over the three-year period.

The assessment of the Corporate Scorecard includes quarterly updates with the full Board and oversight responsibilities of Committees on specific performance metrics which are reviewed at each meeting. At year-end, the CEO prepares a comprehensive report that provides the details of the Company’s annual accomplishments against all performance metrics and targets. The CEO meets with the Board Chair and the HRC Committee Chair to review the report in detail. Following this meeting, the HRC Committee Chair discusses the report with the other Committee Chairs to seek their input and to prepare a preliminary assessment which is recommended to the Board. The recommendation considers the 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. A special Board meeting occurs in January of each year to review the report prepared by the CEO and for the HRC Committee Chair to provide a preliminary assessment recommendation for discussion with the Board. The final assessment and score are determined and approved following the year-end results at the Q4 Board meeting.

## 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 components of compensation are base salary, benefits, annual bonus, and long-term incentives which are comprised of 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 graph below illustrates the target compensation pay mix and the at-risk pay for the CEO as well as the average and at-risk pay for all other NEOs. Approximately 86 per cent of the CEO’s compensation and an average of 76 per cent of other NEO’s compensation was considered to be at-risk. At-risk pay includes bonuses and RSU and PSU awards.



# Elements of Compensation

## Base Salary

Base salaries are fixed compensation and are intended to be market competitive 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 peer group.

## 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 gathered through publicly disclosed sources and Mercer surveys, and an assessment of the executive's performance. Grants are approved by the HRC Committee and, where applicable, the Board. Allocation of the RSU awards is 20 per cent of the total long-term incentive award for all executives.

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 targets, including TSR on an absolute and relative basis. Annual grant levels are determined based on the responsibilities of the executive, comparative market data gathered through publicly disclosed sources and Mercer surveys, and an assessment of the executives performance and are approved by the HRC Committee and, where applicable, the Board. Allocation of the PSU awards is 80 per cent of the total long-term incentive award for all executives.

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 LTI performance 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 the time of grant based on all upstream and integrated companies traded on the TSX with production greater than 50,000 boe per day. The performance multiplier ranges based on a sliding scale from zero to two times. Effective 2024, the PSUs peer group's production threshold will increase to 80,000 boe per day.

For outstanding PSU grants made prior to the 2022 enhancements of the program, the process that was in place at the time of the grant continues until vesting ("transition period"). The transition period only applies to the 2020 and 2021 grants and will conclude with the vestings in 2023 and 2024. For outstanding grants, the process for the scorecard component of the performance multiplier calculation will be weighted as 50 per cent of the overall assessment and is based on the average of the annual scorecard scores over the three-year period. A qualitative overlay of the established LTI targets for the performance period is also conducted to determine whether results in these areas would materially change the annual assessment. The remaining 50 per cent will be weighted to relative TSR compared to the peer group at the end of the three-year period.

## Legacy Plans

In 2021, 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. As of December 31, 2023, all outstanding Seven Generations RSU and PSU awards have vested.

At the close of the business combination involving ARC and Seven Generations (the "Business Combination"), all outstanding Seven Generations Share Options vested. These options have a 10-year term, and the last grant was awarded in 2019.

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

## Other Compensation

ARC offers all employees a comprehensive benefits program. 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.

# 2023 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 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 and the full Board, assessed the 2023 STI accomplishments against the performance targets established for the year, as indicated in the chart below. This assessment considers the performance and weighting in each of the strategic areas, which is then aggregated to determine the final performance assessment score. Consistent with the parameters of the compensation design transition period still in effect for 2023, a qualitative overlay of the established LTI targets for the performance period was also conducted 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 2023, 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 2023 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 in a year that faced several operational complexities. Project execution across ARC’s asset base was outstanding with operating expenses lower than target. Management leveraged development planning expertise to sanction Attachie Phase I, continuously improved well design and optimization initiatives and achieved record reserves performance while introducing several innovative solutions using technological advancements in its operations to reduce costs.

Category overall score: 1.75 out of 2.0

Performance Metric Weighting STI - 40% / LTI - 20%	Target	Result	Key Performance Highlights
Production (boe/day) (STI/LTI)	340,000 – 350,000	Outperform 351,954 boe/day	<ul style="list-style-type: none"> <li>Delivered record average annual production of 351,954 boe/day, which is a two per cent increase from 2022, during a challenging year due to unplanned third-party maintenance downtime, pipeline and infrastructure outages.</li> </ul>
Operating Expenses (\$/boe) (STI/LTI)	\$4.60 – \$5.10	Outstanding \$4.59/ boe	<ul style="list-style-type: none"> <li>Operating costs lower than the target range. Proactively managed costs in controllable areas. Efficiently managed turnarounds and maintenance activities.</li> </ul>
Quality of Execution (STI/LTI)	Safe, on budget, on schedule, aligned with operations objectives	Outperform \$1.8 billion Projects on time/on budget	<ul style="list-style-type: none"> <li>Safe execution of a \$1.8 billion capital program, which included investment at Attachie Phase I development, drilling 148 wells and completing 151 wells primarily focused in Attachie, Kakwa, and the Greater Dawson areas. Other key projects included the completion of the Sunrise facility expansion and the electrification of Dawson Phase III and IV facilities.</li> </ul>
Development Planning (STI/LTI)	Enhance development plans, reserves replacement	Outperform	<ul style="list-style-type: none"> <li>Proactively managed development plans to ensure profitable execution and sanctioned Attachie Phase I. Implemented well design improvements and optimization activities across ARC’s assets.</li> <li>2P reserve adds of 310 MMboe were the largest in ARC’s 28-year history, and for the 16th consecutive year, ARC’s 2P reserves replacement from development activities was greater than 140 per cent of production.</li> </ul>
Technology & Innovation (STI/LTI)	Application of technology and continuous improvement	Outperform	<ul style="list-style-type: none"> <li>Realized savings through several technological and continuous improvement projects.</li> <li>Applied new technologies that created capital cost savings/avoidance to enhance value.</li> <li>Several advancements in data analytics, clean technology, and internal initiatives to increase efficiencies in systems and processes.</li> </ul>

## Strategic Area: Commercial Activities & Risk Management

Commercial Activities & Risk Management was assessed at an overall rating of Outstanding, reflecting very strong execution of market diversification strategies to optimize price, progress in developing strategic relationships and entering into a second long-term natural gas supply agreement with Cheniere to deliver gas to their Sabine Pass Stage 5 Expansion Project and strong operational performance to mitigate the impact of third party facility and pipeline downtime.

Category overall score: 2.0 out of 2.0

Performance Metric 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	Outstanding  Incremental diversification revenue and strategic advancements	<ul style="list-style-type: none"> <li>Market diversification strategy resulted in an annual average realized natural gas price of \$3.77 per Mcf; \$0.84 per Mcf, or 29 per cent greater than the 2023 average AECO 7A Monthly Index price. This marks the 11th straight year where ARC's realized natural gas price has exceeded AECO by 20 per cent or greater.</li> <li>Entered into a second long-term natural gas supply agreement to further diversify natural gas revenues.</li> <li>Mitigated potential impact of third-party facility and pipeline downtime.</li> <li>Executed risk management program to protect our balance sheet and capital program.</li> </ul>
Business Development (LTI)	Advancement of long-term upstream and downstream business development	Key advancements measured at the end of the three-year period.	<ul style="list-style-type: none"> <li>Advanced several key initiatives in the areas of long-term upstream, downstream and new venture strategies.</li> </ul>

## Strategic Area: Financial Sustainability & Return on Investment

Financial Sustainability & Return on Investment was assessed at an overall rating of Outperform +. Proactive initiatives by Management enabled the execution of ARC's capital allocation strategy including safe and efficient investment in ARC's business, a 13 per cent quarterly dividend increase to \$0.17 cents per share and continuation of the share repurchases through ARC's Normal Course Issuer Bids ("NCIB") to deliver value to shareholders. Net Debt to Funds from Operations levels were maintained, and ARC delivered top quartile shareholder returns.

Category overall score: 1.8 out of 2.0

Performance Metric Weighting: STI - 25% / LTI - 50%	Target	Result	Key Performance Highlights
Net Debt to Funds from Operations (STI)	≤ 1.5 times	Outperform  0.5 times	<ul style="list-style-type: none"> <li>Proactive management of net debt levels to \$1.3 billion<sup>(1)</sup> and net debt to funds from operations of 0.5 times</li> </ul>
Funds From Operations per Share (STI)	Internal performance range with normalized pricing	Outperform	<ul style="list-style-type: none"> <li>Generated funds from operations of \$2.6 billion (\$4.32 per share) and free funds flow of \$790 million (\$1.29 per share).</li> <li>Distributed 110 per cent (96 per cent net of proceeds from divestitures) of free funds flow to shareholders through the base dividend and share repurchases.</li> </ul>
Relative TSR vs. Peer Group (LTI)	Top-quartile performance	Measured at the end of the three-year period	<ul style="list-style-type: none"> <li>2023 total relative shareholder return was 11.7 per cent<sup>(2)</sup> which was top quartile compared to our peers.</li> </ul>

## Strategic Area: People & ESG Leadership

People & ESG Leadership was assessed at an overall rating of Outperform +. Environmental performance was strong and exceeded targets. Significant progress on key safety initiatives and strong safety performance results achieved with a significant increase in activity levels. Continued advancement of several employee engagement, development, and retention initiatives in alignment with ARC's strong culture.

Category overall score: 1.8 out of 2.0

Performance Metric Weighting: STI - 20% / LTI - 15%	Target	Result	Key Performance Highlights
Environmental Indicators (STI)	Internal target and assessment of severity spills and prevention initiatives	Outstanding	<ul style="list-style-type: none"> <li>Exceeded targets in terms of number of significant spill events in the year.</li> <li>The result was achieved through implementation of proactive asset integrity and operations management initiatives, such as chemical program review and sand management.</li> </ul>
Safety Indicators (STI)	TRIF <sup>(3)</sup> - 0.42 LTIF <sup>(4)</sup> - 0.04 PH3+F <sup>(5)</sup> - 0.05 Prevention initiatives	Outperform  TRIF - 0.36 LTIF - 0.05 PH3+F - 0.05	<ul style="list-style-type: none"> <li>Strong overall safety performance, with best TRIF ("Total Recordable Injury Frequency") performance in ARC's history that demonstrated a 16 per cent improvement from the prior year.</li> <li>Exceeded all leading indicators which supports a strong culture of safety and team engagement.</li> <li>Advanced key safety initiatives, such as "Together Preventing Harm" and "Process Safety Improvement Initiative" to reinforce our long-term safety strategy.</li> </ul>
Social Indicators (LTI)	Advance key actions in engagement, succession planning and DE&I	Measured at the end of the three-year period	<ul style="list-style-type: none"> <li>Strong employee engagement scores in 2022 and 2023. Year-over-year increase in results.</li> <li>Evolved our succession planning and development process to better assess talent and determine gaps.</li> <li>Launched an approach to DE&amp;I in 2023 focused on key priorities for employees.</li> </ul>
Greenhouse gas ("GHG") Emissions (LTI)	Reduce Scope 1 and Scope 2 GHG emissions intensity by 20% Reduce absolute emissions by a minimum of 70,000 tCO2E by 2025 Reduce overall methane emissions intensity by 20% by 2025.	Measured at the end of the three-year period	<ul style="list-style-type: none"> <li>Achieved Equitable Origin's ("EO") EO 100TM Standard for Responsible Energy Development for all ARC's production.</li> <li>Electrification of our Dawson III and IV facilities, which was a major progress toward our long-term GHG and methane emission targets.</li> </ul>

(1) See Note 15 "Capital Management" of ARC's financial statements and "Non-GAAP and Other Financial Measures in the 2023 MD&A for information relating to this capital management measure, which information is incorporated by reference into this information circular.

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

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

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

(5) 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.

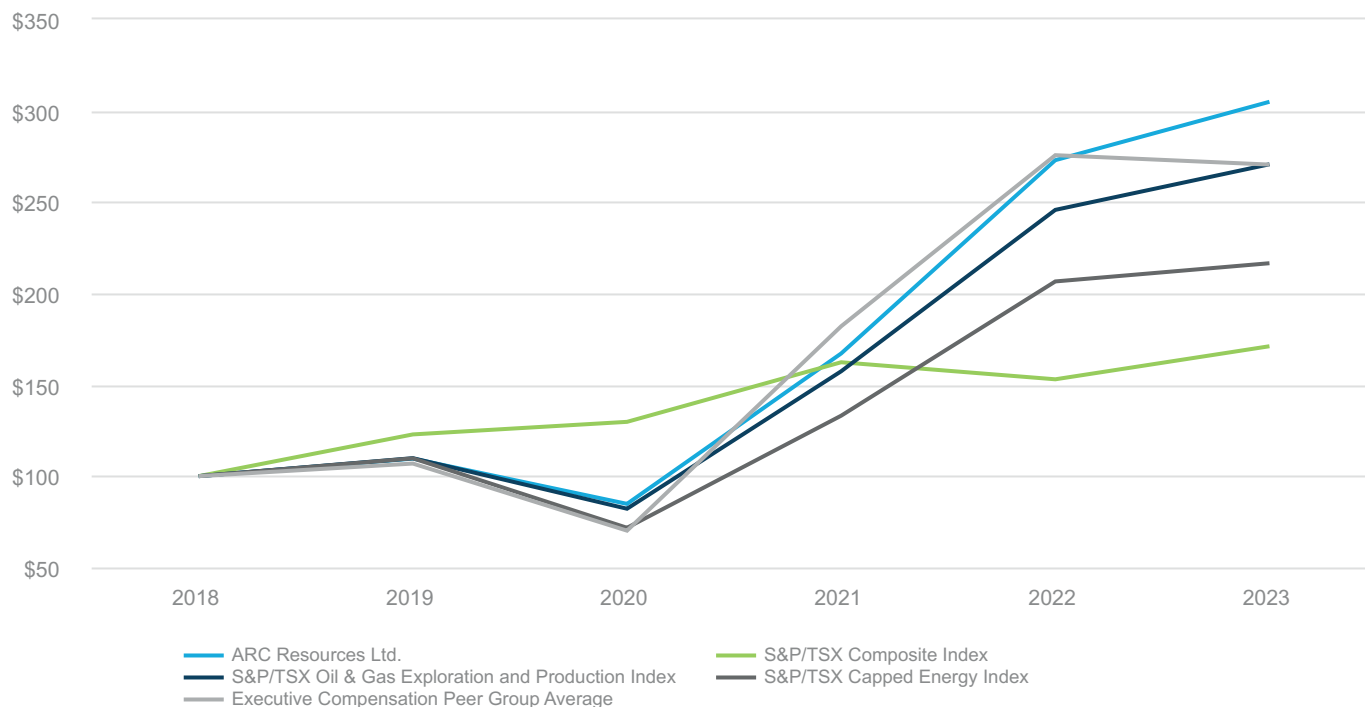
## Application of the Scorecard and Related Compensation Decisions

For the 2023 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 assessed based on individual performance and defined leadership objectives. The 2023 scorecard assessment further determined the final one-third of the three-year average scorecard calculation which is weighted at 50 per cent of the PSU performance multiplier for the 2021 grants that will vest in 2024. The remaining 50 per cent of the PSU performance multiplier will be calculated based on relative TSR compared to the peer group over the period using the five-day Volume Weighted Average Trading Price ("VWAP") at the date of vesting.

For PSU grants that vested in 2023, the PSU performance multiplier was determined by the three-year average scorecard calculation weighted at 50 per cent and the calculation of relative TSR compared to the peer group for the period using the five-day VWAP at the date of vesting weighted at 50 per cent. In assessing ARC's relative performance over the three-year period, the Board took into consideration anomalous external market events which occurred in 2020 and exercised discretion to adjust the overall performance multiplier for this period from 0.867 to 1.0.

## Performance Graph

The graph below compares ARC's share price performance over the past five years relative 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 2018.



	2018	2019	2020	2021	2022	2023
ARC Resources Ltd.	\$100.00	\$109.59	\$84.82	\$167.15	\$272.96	\$304.92
S&P/TSX Composite Index	\$100.00	\$122.84	\$129.72	\$162.34	\$153.01	\$171.11
S&P/TSX Oil & Gas Exploration and Production Index	\$100.00	\$109.94	\$82.16	\$157.40	\$245.75	\$270.71
S&P/TSX Capped Energy Index	\$100.00	\$109.75	\$71.73	\$133.09	\$206.58	\$216.55
Executive Compensation Peer Group Average	\$100.00	\$106.89	\$70.16	\$182.04	\$275.69	\$270.54

ARC is focused on long-term profitability, and we believe our disciplined strategy and competitive strengths will position us to generate sustainable and competitive returns well into the future. Over the past five years, commodity price volatility has increased the volatility of the share performance of ARC as well as its sector peers. From 2018 through 2020, 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. In 2022, ARC's total shareholder return of 63 per cent outperformed the peer group average (51 per cent) and all three indices. In 2023, ARC's return of 12 per cent outperformed the peer group average by 14 per cent and the two energy indices by an average of four per cent. Overall, an investment in ARC over the past five years would have yielded a 305 per cent return which is 34 per cent greater than our peer group average and 85 per cent greater than the average of the three indices. Since inception in 1996, ARC has delivered an average annual total shareholder return of 12 per cent, outperforming both the S&P/TSX Composite Index and the S&P/TSX Oil & Gas Exploration and Production Index.



# 2023 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" to "Outstanding" in 2023.

Mr. Anderson has ultimate accountability for the achievement of the Corporate Performance Scorecard and to lead the executive team to effectively deliver against all their defined objectives and deliver strong results across all facets of ARC's business.

In addition to the achievements of the Corporate Performance Scorecard, a high-level summary of Mr. Anderson's key strategic decisions and achievements are as follows:

- Championed ARC's safety culture resulting in record safety performance;
- Led the decision to sanction Attachie Phase I;
- Developed and communicated ARC's five-year outlook to deliver significant value;
- Continued disciplined capital allocation strategy to ensure a strong balance sheet, invested in organic opportunities to grow free funds flow to grow the dividend and repurchase shares, essentially returning all free funds flow to shareholders;
- Continued to advance ARC's global natural gas diversification strategy with the signing of a second long-term gas supply agreement with Cheniere;
- Established strong relationships with all levels of government, Indigenous partners, and shareholders to ensure ARC's story is known, trusted and understood; and
- Led a highly engaged organization to deliver strong performance in all aspects of the business.

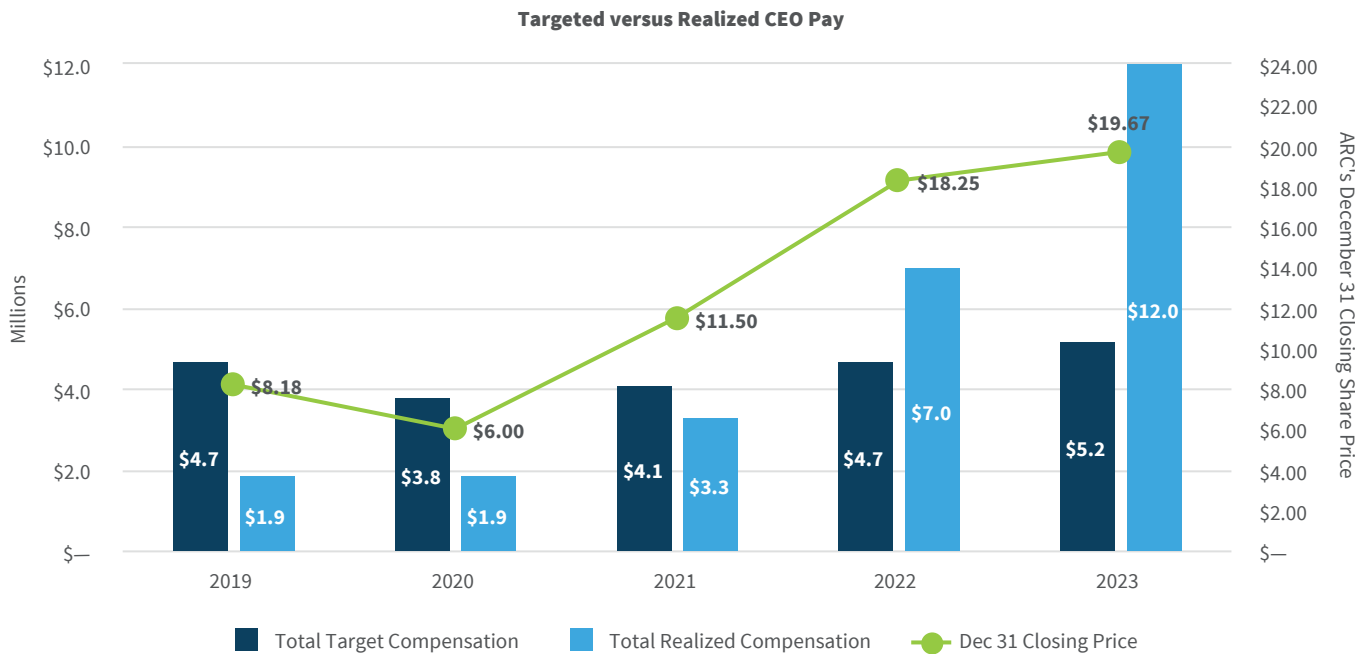
Through the annual process of determining executive compensation targets, the HRC Committee reviewed Mr. Anderson's compensation targets compared to the executive compensation peer group, considering his performance and scope of role. The HRC Committee recommended to the Board to increase Mr. Anderson's base salary and compensation targets by a total of 11 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 2023 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 2023, the Board awarded Mr. Anderson with an above target bonus payment at 187 per cent.

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

Compensation Component	2019	2020	2021	2022	2023
Base Salary	\$570,000	\$475,000	\$600,000	\$630,000	\$660,000
Other Compensation	\$76,400	\$54,300	\$64,050	\$82,108	\$86,123
Bonus	\$650,000	\$550,000	\$650,000	\$750,000	\$750,000
RSU & PSU Grants	\$2,470,000	\$2,100,000	\$2,797,500	\$3,250,000	\$3,750,000
Long-Term Restricted Share Awards	\$950,000	\$600,000	—	—	—
<b>Total Target Compensation</b>	<b>\$4,716,400</b>	<b>\$3,779,300</b>	<b>\$4,111,550</b>	<b>\$4,712,108</b>	<b>\$5,246,123</b>

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 LTI values vested and paid in the applicable year, was less than target value in 2019 through 2021. Since 2021, ARC's share price has nearly doubled and ARC has made significant strategic advancements in our business. As a result, Mr. Anderson's realized pay has been higher than his targeted compensation which reflects the design of our compensation plan to pay-for-performance and to align with the experience of ARC's shareholders.



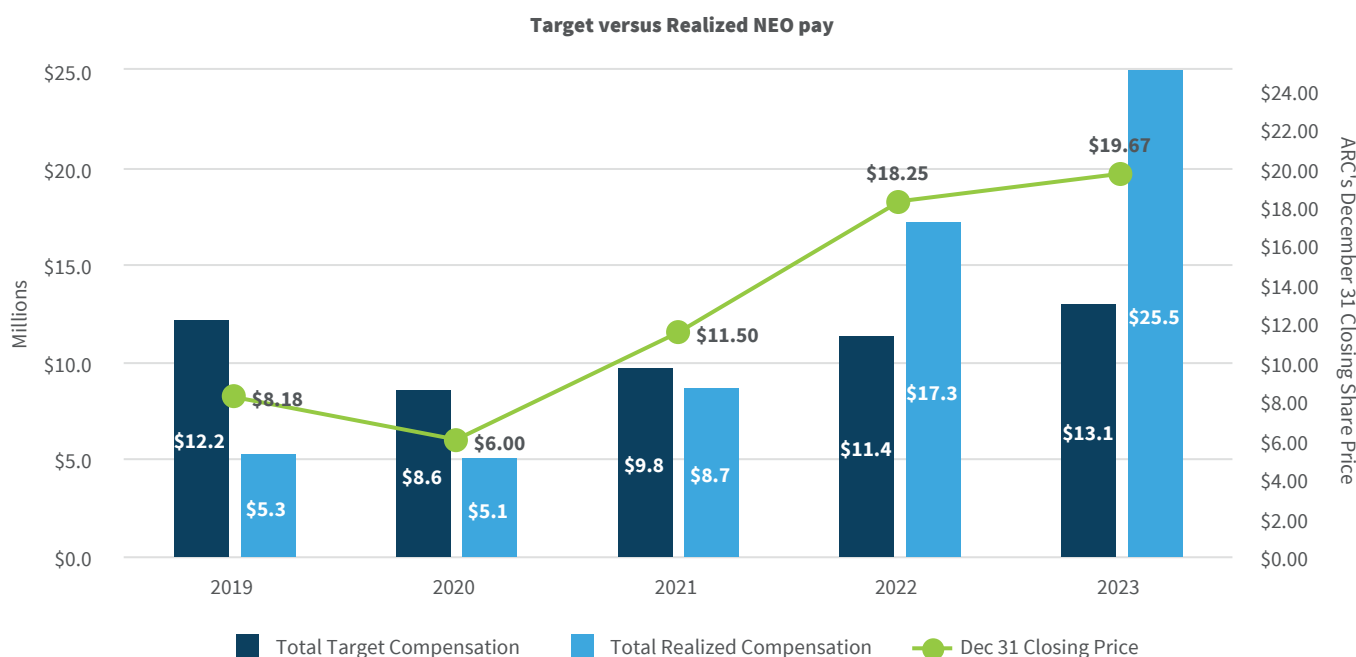
# NEO Compensation

Since the Business Combination in 2021 and the resulting financial strength of the Corporation, NEO total target compensation has become a smaller percentage of funds from operations and enterprise value.

Compensation Component	2019	2020	2021	2022	2023
Target NEO Compensation (\$ millions)	12.2	8.6	9.8	11.4	13.1
Funds from Operations (\$ millions)	697	668	2,415	3,713	2,640
NEO Compensation as % of Funds from Operations <sup>(1)</sup>	1.8	1.3	0.4	0.3	0.5
Enterprise Value (\$ billions)	3.8	2.9	10.7	12.6	14.1
NEO Compensation as a % of Enterprise Value	0.3	0.3	0.1	0.1	0.1
Total Shareholder Return (%) <sup>(1)</sup>	9.6	-22.6	97.1	63.3	11.7

<sup>(1)</sup> 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 2019 through 2021, NEO realized pay was less than target pay and aligned with the experience of the shareholder. Since 2022, ARC’s share price increased from \$11.50 to \$19.67, and as a result, NEO realized pay has become greater than targeted pay.



# Compensation Tables

## Summary Compensation Table

The following table provides a summary of compensation for the CEO and CFO of ARC and the three most highly compensated executive officers of ARC for the year ended December 31, 2023, whose total compensation was more than \$150,000 (collectively, the NEOs).

Name and Principal Position	Year	Salary	Share-based Awards Granted <sup>(1)(2)(3)(4)</sup>	Options	Non-equity Incentive Plan Compensation			Total Compensation
					Bonuses Earned <sup>(5)</sup>	Long-term Incentive Plans	All Other Compensation <sup>(6)</sup>	
Terry M. Anderson	2023	\$660,000	\$3,750,022	\$—	\$1,400,000	N/A	\$86,123	\$5,896,145
President & Chief Executive Officer	2022	\$630,000	\$3,250,014	\$—	\$1,300,000	N/A	\$82,108	\$5,262,122
	2021	\$600,000	\$2,797,504	\$—	\$915,000	N/A	\$64,050	\$4,376,554
Kristen J. Bibby Senior Vice President & Chief Financial Officer	2023	\$465,000	\$1,412,520	\$—	\$800,000	N/A	\$62,862	\$2,740,382
	2022	\$440,000	\$1,215,016	\$—	\$710,000	N/A	\$60,138	\$2,425,154
	2021	\$420,000	\$1,045,005	\$—	\$540,000	N/A	\$44,550	\$2,049,555
Armin Jahangiri Senior Vice President & Chief Operating Officer	2023	\$420,000	\$1,190,026	\$—	\$780,000	N/A	\$56,285	\$2,446,311
	2022	\$375,000	\$860,007	\$—	\$690,000	N/A	\$50,262	\$1,975,269
	2021	\$330,000	\$610,007	\$—	\$525,000	N/A	\$38,050	\$1,503,057
Larissa M. Conrad Senior Vice President & Chief Development Officer	2023	\$390,000	\$1,030,011	\$—	\$470,000	N/A	\$54,415	\$1,944,426
	2022	\$370,000	\$825,006	\$—	\$600,000	N/A	\$48,415	\$1,843,421
	2021	\$310,000	\$730,013	\$—	\$440,000	N/A	\$38,050	\$1,518,063
Ryan V. Berrett	2023	\$360,000	\$815,011	\$—	\$610,000	N/A	\$50,123	\$1,835,134
Senior Vice President, Marketing	2022	\$330,000	\$605,014	\$—	\$480,000	N/A	\$46,108	\$1,461,122
	2021	\$300,000	\$442,508	\$—	\$350,000	N/A	\$36,750	\$1,129,258

(1) In 2023, the value of PSUs and RSUs granted were as follows:

NEO	PSUs	RSUs	Total Share-based Awards
Terry M. Anderson	\$3,175,037	\$574,985	\$3,750,022
Kristen J. Bibby	\$1,130,019	\$282,501	\$1,412,520
Armin Jahangiri	\$952,034	\$237,992	\$1,190,026
Larissa M. Conrad	\$824,016	\$205,995	\$1,030,011
Ryan V. Berrett	\$652,030	\$162,981	\$815,011

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

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

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

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

(4) RSUs and PSUs are granted twice per year. The grant 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
2023	\$15.51	\$21.26
2022	\$15.70	\$18.49
2021	\$9.11	\$9.54

(5) Bonus amounts reflect amounts earned in the fiscal year.

(6) 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, 2023, which had not vested at such date. All PSUs are subject to a performance multiplier that may vary from zero to two.

## RSUs

NEO	Grant Year	Unvested Units <sup>(1)</sup>	Year of Vesting	Value of Unvested <sup>(2)</sup>
Terry M. Anderson	2023	30,557	2024, 2025, 2026	\$601,056
	2022	13,323	2024, 2025	\$262,063
	2021	19,543	2024	\$384,411
		<b>63,423</b>		<b>\$1,247,530</b>
Kristen J. Bibby	2023	15,937	2024, 2025, 2026	\$313,481
	2022	9,931	2024, 2025	\$195,343
	2021	12,302	2024	\$241,980
		<b>38,170</b>		<b>\$750,804</b>
Armin Jahangiri	2023	13,167	2024, 2025, 2026	\$258,995
	2022	6,997	2024, 2025	\$137,631
	2021	4,673	2024	\$91,918
		<b>24,837</b>		<b>\$488,544</b>
Larissa M. Conrad	2023	11,518	2024, 2025, 2026	\$226,559
	2022	6,734	2024, 2025	\$132,458
	2021	9,412	2024	\$185,134
		<b>27,664</b>		<b>\$544,151</b>
Ryan V. Berrett	2023	9,064	2024, 2025, 2026	\$178,289
	2022	4,917	2024, 2025	\$96,717
	2021	4,659	2024	\$91,643
		<b>18,640</b>		<b>\$366,649</b>

(1) The number of awards has been updated to reflect dividends earned from the date of grant to December 31, 2023.

(2) Values are based on the December 31, 2023 closing price of ARC's Common Shares of \$19.67.

## PSUs

NEO	Grant Year	Unvested Units (1)	Year of Vesting	Median Value of Unvested (2)	Maximum Value of Unvested (3)
Terry M. Anderson	2023	180,202	2026	\$3,544,573	\$7,089,146
	2022	179,872	2025	\$3,538,082	\$7,076,164
	2021	263,790	2024	\$5,188,749	\$10,377,498
		<b>623,864</b>		<b>\$12,271,404</b>	<b>\$24,542,808</b>
Kristen J. Bibby	2023	63,748	2026	\$1,253,923	\$2,507,846
	2022	59,592	2025	\$1,172,175	\$2,344,350
	2021	83,655	2024	\$1,645,494	\$3,290,988
		<b>206,995</b>		<b>\$4,071,592</b>	<b>\$8,143,184</b>
Armin Jahangiri	2023	52,672	2026	\$1,036,058	\$2,072,116
	2022	41,986	2025	\$825,865	\$1,651,730
	2021	56,087	2024	\$1,103,231	\$2,206,462
		<b>150,745</b>		<b>\$2,965,154</b>	<b>\$5,930,308</b>
Larissa M. Conrad	2023	46,075	2026	\$906,295	\$1,812,590
	2022	40,406	2025	\$794,786	\$1,589,572
	2021	56,087	2024	\$1,103,231	\$2,206,462
		<b>142,568</b>		<b>\$2,804,312</b>	<b>\$5,608,624</b>
Ryan V. Berrett	2023	36,264	2026	\$713,313	\$1,426,626
	2022	29,509	2025	\$580,442	\$1,160,884
	2021	36,948	2024	\$726,767	\$1,453,534
		<b>102,721</b>		<b>\$2,020,522</b>	<b>\$4,041,044</b>

(1) The number of awards has been updated to reflect dividends earned from the date of grant to December 31, 2023.

(2) Values are based on the December 31, 2023 closing price of ARC's Common Shares of \$19.67 and a median performance multiplier of 1.0.

(3) Values are based on the December 31, 2023 closing price of ARC's Common Shares of \$19.67 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. Share Options held by NEOs 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, 2023.

NEO	Grant Date	Number of Common Shares Underlying Unexercised Options	Grant Price	Expiry Date	Value of the Unexercised In-the-money Options (Original Exercise Price) <sup>(1)</sup>	Reduced Exercise Prices as of December 31, 2023	Value of the Unexercised In-the-money Options (Reduced Exercise Price) <sup>(1)</sup>
Terry M. Anderson	June 19, 2018	104,816	\$13.21	June 19, 2025	\$677,111	\$10.694	\$940,829
	June 21, 2017	83,461	\$16.59	June 21, 2024	\$257,060	\$13.474	\$517,124
		<b>188,277</b>			<b>\$934,171</b>		<b>\$1,457,953</b>
Kristen J. Bibby	June 19, 2018	36,395	\$13.21	June 19, 2025	\$235,112	\$10.694	\$326,682
	June 21, 2017	10,000	\$16.59	June 21, 2024	\$30,800	\$13.474	\$61,960
		<b>46,395</b>			<b>\$265,912</b>		<b>\$388,642</b>
Armin Jahangiri	June 19, 2018	36,395	\$13.21	June 19, 2025	\$235,112	\$10.694	\$326,682
	June 21, 2017	23,184	\$16.59	June 21, 2024	\$71,407	\$13.474	\$143,648
		<b>59,579</b>			<b>\$306,519</b>		<b>\$470,330</b>
Larissa M. Conrad	June 19, 2018	36,395	\$13.21	June 19, 2025	\$235,112	\$10.694	\$326,682
	June 21, 2017	28,980	\$16.59	June 21, 2024	\$89,258	\$13.474	\$179,560
		<b>65,375</b>			<b>\$324,370</b>		<b>\$506,242</b>
Ryan V. Berrett	June 19, 2018	23,293	\$13.21	June 19, 2025	\$150,473	\$10.694	\$209,078
		<b>23,293</b>			<b>\$150,473</b>		<b>\$209,078</b>

(1) Values are based on the December 31, 2023 closing price of ARC's Common Shares of \$19.67.



## Long-term Restricted Share Awards

The table below illustrates the unvested LTRSAs held by each NEO as of December 31, 2023, and which had not vested at such date.

Restricted Shares <sup>(1)</sup>				
NEO	Grant Year	Unvested Shares	Year of Vesting	Value of Unvested
Terry M. Anderson	2021	4,207	2027 - 2031	\$82,752
	2020	75,344	2026 - 2030	\$1,482,016
	2019	44,666	2027, 2028, 2029	\$878,580
	2018	23,914	2026, 2027, 2028	\$470,388
	2017	19,594	2025, 2026, 2027	\$385,414
	2016	15,801	2024, 2025, 2026	\$310,806
	2015	11,025	2024, 2025	\$216,862
		<b>194,551</b>		<b>\$3,826,818</b>
Kristen J. Bibby	2020	27,627	2026 - 2030	\$543,423
	2019	16,456	2027, 2028, 2029	\$323,690
	2018	8,304	2026, 2027, 2028	\$163,340
	2017	5,715	2025, 2026, 2027	\$112,414
	2016	4,609	2024, 2025, 2026	\$90,659
	2015	3,216	2023, 2024	\$63,259
		<b>65,927</b>		<b>\$1,296,785</b>
Armin Jahangiri	2020	20,092	2026 - 2030	\$395,210
	2019	16,456	2027, 2028, 2029	\$323,690
	2018	8,304	2026, 2027, 2028	\$163,340
	2017	5,443	2025, 2026, 2027	\$107,064
		<b>50,295</b>		<b>\$989,304</b>
Larissa M. Conrad	2020	20,092	2026 - 2030	\$395,210
	2019	18,807	2027, 2028, 2029	\$369,934
	2018	9,965	2026, 2027, 2028	\$196,012
	2017	8,164	2025, 2026, 2027	\$160,586
	2016	5,487	2024, 2025, 2026	\$107,929
	2015	3,829	2024, 2025	\$75,316
		<b>66,344</b>		<b>\$1,304,987</b>
Ryan V. Berrett	2020	14,442	2026 - 2030	\$284,074
	2019	13,518	2027, 2028, 2029	\$265,899
	2018	6,643	2026, 2027, 2028	\$130,668
	2017	5,443	2025, 2026, 2027	\$107,064
	2016	3,512	2024, 2025, 2026	\$69,081
	2015	3,459	2024, 2025	\$68,039
		<b>47,017</b>		<b>\$924,825</b>

(1) The number of awards has been updated to reflect dividends earned from the date of grant to December 31, 2023. Values are based on the December 31, 2023 closing price of ARC's Common Shares of \$19.67.

# Value Vested During the Year

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

The table below illustrates for each NEO the value of RSUs, PSUs, Share Options and LTRSAs that vested in 2023 and the value of non-equity plan compensation (bonus) earned in 2023.

NEO	Type of Grant	RSUs/PSUs <sup>(1)</sup>			LTRSAs <sup>(2)</sup>			Share Options <sup>(3)</sup>			
		Grant Year	Number of Units Vested	Value	Grant Year	Number of Shares Vested	Value	Grant Year	Number of Options Vested	Value	2023 Bonus <sup>(4)</sup>
Terry M. Anderson	RSU	2020, 2021, 2022	44,765	\$ 780,726							
	PSU	2020	515,597	\$8,956,765	2015	5,452	\$ 95,410	2018	52,408	\$ 333,629	\$1,400,000
			<b>560,362</b>	<b>\$9,737,491</b>							
Kristen J. Bibby	RSU	2020, 2021, 2022	30,387	\$ 533,947							
	PSU	2020	161,501	\$2,805,530	2015	1,590	\$ 27,825	2018	18,198	\$ 115,848	\$ 800,000
			<b>191,888</b>	<b>\$3,339,477</b>							
Armin Jahangiri	RSU	2020, 2021, 2022	16,149	\$ 293,530							
	PSU	2020	97,315	\$1,712,508	—	—	—	2018	18,198	\$ 115,848	\$ 780,000
			<b>113,464</b>	<b>\$2,006,038</b>							
Larissa M. Conrad	RSU	2020, 2021, 2022	20,938	\$ 367,050							
	PSU	2020	101,005	\$1,769,738	2015	1,893	\$ 33,128	2018	18,198	\$ 115,848	\$ 470,000
			<b>121,943</b>	<b>\$2,136,788</b>							
Ryan V. Berrett	RSU	2020, 2021, 2022	12,473	\$ 222,095							
	PSU	2020	65,827	\$1,144,901	2015	1,720	\$ 34,297	2018	11,647	\$ 74,145	\$ 610,000
			<b>78,300</b>	<b>\$1,366,996</b>							

(1) The value of the PSU awards that vested in 2023 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 per cent.

Vest Date	Price	Performance Multiplier
March 15, 2023	\$15.51	1.00
September 15, 2023	\$21.26	1.00

(2) The value of the LTRSAs that vested in 2023 was based on the closing price on the vesting date which was \$17.50 for Mr. Anderson, Mr. Bibby, and Ms. Conrad and \$19.94 for Mr. Berrett. Mr. Jahangiri did not have any LTRSAs vest in 2023.

(3) The value of the Share Options that vested in 2023 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	Reduced Exercise Price
June 19, 2023	\$17.40	11.034

(4) 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 units 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 units 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 – units are converted into units 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 units are cancelled	All unvested shares and dividends are forfeited and cancelled/returned	All vested and unvested options are cancelled
Retirement	None	If the executive is a minimum of 55 years old and has between 5 and 10 years at ARC – all grants active for over one year continue to vest on schedule, If executive has over 10 years at ARC – all grants 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 the executive is a minimum of 55 years old and has between 5 and 10 years at ARC – all options continue to vest for three years. If executive has over 10 years at ARC – all options 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, 2023.

NEO <sup>(1)</sup>	Triggering Event	Payment Pursuant to Employment Agreement	RSUs/PSUs <sup>(2)(3)</sup>	LTRSAs <sup>(4)</sup>	Share Options <sup>(5)</sup>	Total
Terry M. Anderson	Termination for Just Cause or Resignation	—	—	—	—	—
	Termination Event	\$3,722,600	—	—	—	\$3,722,600
	Change of Control	—	—	—	—	—
	Change of Control and Termination Event	\$3,722,600	\$19,846,865	\$3,826,818	\$1,457,953	\$28,904,236
	Retirement	—	—	—	—	—
	Death	—	\$19,846,865	\$3,826,818	\$1,457,953	\$25,131,636
Kristen J. Bibby	Termination for Just Cause or Resignation	—	—	—	—	—
	Termination Event	\$2,053,975	—	—	—	\$2,053,975
	Change of Control	—	—	—	—	—
	Change of Control and Termination Event	\$2,053,975	\$6,879,290	\$1,296,784	\$388,642	\$10,618,691
	Retirement	—	—	—	—	—
	Death	—	\$6,879,290	\$1,296,784	\$388,642	\$8,564,716
Armin Jahangiri	Termination for Just Cause or Resignation	—	—	—	—	—
	Termination Event	\$1,930,425	—	—	—	\$1,930,425
	Change of Control	—	—	—	\$470,330	\$470,330
	Change of Control and Termination Event	\$1,930,425	\$4,866,623	\$989,303	\$470,330	\$8,256,681
	Retirement	—	—	—	—	—
	Death	—	\$4,866,623	\$989,303	\$470,330	\$6,326,256
Larissa M. Conrad	Termination for Just Cause or Resignation	—	—	—	—	—
	Termination Event	\$1,715,350	—	—	—	\$1,715,350
	Change of Control	—	—	—	\$506,242	\$506,242
	Change of Control and Termination Event	\$1,715,350	\$4,733,405	\$1,304,986	\$506,242	\$8,259,983
	Retirement	—	—	—	—	—
	Death	—	\$4,733,405	\$1,304,986	\$506,242	\$6,544,633
Ryan V. Berrett	Termination for Just Cause or Resignation	—	—	—	—	—
	Termination Event	\$1,259,700	—	—	—	\$1,259,700
	Change of Control	—	—	—	\$209,078	\$209,078
	Change of Control and Termination Event	\$1,259,700	\$3,363,907	\$924,824	\$209,078	\$5,757,509
	Retirement	—	—	—	—	—
	Death	—	\$3,363,907	\$924,824	\$209,078	\$4,497,809

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

(2) RSUs and PSUs are valued using the December 31, 2023 closing price of ARC Common Shares of \$19.67.

(3) 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.

(4) LTRSAs have been valued using the December 31, 2023 closing price of \$19.67.

(5) Share Options have been valued using the December 31, 2023 closing price of \$19.67 and assuming the executive elects that the exercise price be reduced by the full amount of the dividends to this date.

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, 2023, was approximately \$218 million.

# Other Information

## Securities Authorized for Issuance Under Equity Plans

The following sets forth information in respect of securities authorized for issuance under the Company's equity compensation plans as of December 31, 2023:

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 <sup>(1)</sup>
Equity compensation plans approved by security holders <sup>(2)</sup>	3,409,194	\$13.26	21,001,813
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	<b>3,409,194</b>	<b>\$13.26</b>	<b>21,001,813</b>

(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 2023, 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 Annual Meeting except as disclosed herein.

## Additional Information

Additional information relating to the Company is available under the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). 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, 2023, 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](http://www.arcresources.com) or under ARC's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

## Other Matters

Management of the Company knows of no amendment, variation, or other matter to come before the Annual Meeting other than the matters referred to in the Notice of Annual Meeting; however, if any other matter properly comes before the Annual 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 Accounting Standards 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 Accounting Standards, such as net income, 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 2023 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 31 divided by funds from operations for such period.

See our Annual Information Form dated March 7, 2024, for additional details of “Proved plus Probable Reserves.”

## Approval

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

## Date

This information circular is dated March 26, 2024.

# 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

Shares Outstanding as of December 31, 2023	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
596,853,471	14,225,000	2.38	1,343,760	0.22	9.45

## 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	\$19.36	—	—
Total 2015	100,287	—	340,542,209	0.0294

As of December 31, 2023, ARC had LTRSAs outstanding representing 61 per cent of the approved share reserve, as shown below:

Shares Outstanding as of December 31, 2023	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
596,853,471	1,600,000	0.27	972,543	0.16	60.78

## 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, 2023
Share Options	927,281
RSUs and PSUs	7,165
DSUs	158,445
<b>Total</b>	<b>1,092,891</b>

Shares Outstanding as of December 31, 2023	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
596,853,471	8,586,007	1.44	1,092,891	0.18	12.73

## D. Board Mandate

### Role and Objective

The Board of Directors (the "Board") of ARC Resources Ltd. ("ARC") is responsible for the stewardship of ARC and its subsidiaries. In discharging its responsibilities, 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;
- identify the principal risks of the Corporation associated with fulfilling its strategic objectives and business plans and ensure appropriate risk management systems are in place to manage such risks;
- 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;
- for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

### Mandate and 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 its strategy and guiding principles. The Board's key priorities are 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. 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;
- regularly review the macro environment including but not limited to, macro fundamentals, changes in commodity prices, infrastructure constraints, interest rates, foreign currency exchange rates and credit;



- ensure comprehensive risk management systems and processes are in place to identify, monitor, assess, and mitigate the Corporation's principal risks. This will include reviewing and determining, with management, the Corporation's risk appetite and tolerance levels,
- approve the annual operating and capital plans;
- approve long-term commercial agreements;
- 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;
- approve ARC's Hedging Policy and ensure processes are in place to monitor compliance with the policy;
- 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 directors, 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 as outlined in the committee mandates 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.
- Agendas, approved by the Chair, shall be circulated to Board members with background information on a timely basis prior to the meetings.
- Minutes of each meeting shall be prepared by the Secretary to the Board and distributed on a timely basis.
- The Chief Executive Officer shall be available to attend all meetings of the Board or Committees of the Board upon invitation by the Board or any such Committee.
- 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 Chief Executive Officer.
- The Board shall have the authority to review any corporate report or material and to investigate activity of ARC and to request any employees to cooperate as requested by the Board.
- The Board 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.

# Shareholder Information

## Corporate Head Office

### **ARC Resources Ltd.**

1200, 308 – 4th Avenue S.W.  
Calgary, Alberta T2P 0H7

**T** 403.503.8600

**Toll Free** 1.888.272.4900

**F** 403.509.6427

**[www.arcresources.com](http://www.arcresources.com)**

## Transfer Agent

### **Computershare Trust Company of Canada**

800, 324 8th Avenue S.W.  
Calgary, Alberta T2P 2Z2

**T** 403.267.6800

## Independent Reserves Evaluator

**GLJ Ltd.**

## Auditors

**PricewaterhouseCoopers LLP**

## Legal Counsel

**Burnet, Duckworth & Palmer LLP**

## Annual Meeting of Shareholders

ARC Resources Ltd. will hold its Annual Meeting of Shareholders virtually:

**May 10, 2024**

**10 a.m. MT / 12 p.m. ET**

Please see our Management Information Circular available on **[www.arcresources.com](http://www.arcresources.com)** for additional information.

## Stock Exchange Listing

ARC Resources Ltd. shares are traded on the Toronto Stock Exchange under the symbol **ARX**.

## Shareholder Inquiries

ARC's financial reports, annual regulatory filings and news releases are available on **[www.arcresources.com](http://www.arcresources.com)**.

### **Investor Relations**

**T** 403.503.8600

**Toll Free** 1.888.272.4900

**E** [IR@arcresources.com](mailto:IR@arcresources.com)





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