



# Mandate of the Human Resources and Compensation Committee

## Composition

- The Committee shall be composed of not less than three individuals appointed by the Board as recommended by the Policy & Board Governance Committee. All members shall be independent within the meaning of Section 1.4 of National Instrument 52-110 Audit Committees.
- The Secretary of the Committee shall be another individual as selected by the Committee. Draft Minutes shall be prepared and circulated expeditiously following each meeting.
- A quorum shall be the majority of the members of the Committee.
- In addition to independence, all members of the Committee shall be free from direct or indirect material relationship(s) that might be reasonably expected to interfere with the exercise of the members' independent judgement.

## Role and Objectives

The role of the Committee is to assist the directors of ARC Resources Ltd. in meeting their responsibilities with respect to human resource and compensation matters generally, and specifically the following:

- At least annually review compensation philosophy and approve annual changes as part of the yearly budget process.
- Review and stay informed with respect to human resource matters including but not limited to industry trends, peer and other compensation practices, appropriate peer benchmark companies, recruitment policy, training and leadership development, attrition metrics, organizational design and accountability.
- Review and stay informed with respect to the development of the corporation's culture, including employee engagement initiatives and feedback through the annual strength of the workplace engagement survey.
- Ensure 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, lead activities related to CEO succession.
- Compensation is broadly defined and includes salary, bonuses, long-term incentives, and other evolving forms. The Committee is delegated the authority to approve all such compensation except for the President & Chief Executive Officer which is a decision of the Board of Directors following a recommendation from this Committee.
- In conjunction with the Chair and the Board, lead an annual performance review of the President & Chief Executive Officer and recommend compensation to the Board for approval.
- The Committee shall review with management and approve all other executive compensation.
- Assess the CEO's and executive teams' annual individual performance and overall performance related to the corporate scorecard.
- Oversee the corporate scorecard process including determining the annual targets, metrics and associated weightings and recommend for approval to the Board. Lead the annual process to assess the accomplishments of the corporate scorecard and recommend a final scorecard rating to the Board.
- Preside over executive employment contracts or other material agreements in respect to human resource matters.
- Retain legal and other consultant expertise as needed to assist in the execution of its role and objectives; and shall have the authority to investigate any human resource activity of the corporation.
- Preside over and approve the Compensation Discussion & Analysis as part of the annual Management Information Circular.
- Following an annual review of this mandate, make recommendations to the Policy & Board Governance Committee in respect to proposed changes.

## Meetings

- The Committee shall meet at least four times per year and as deemed appropriate by the Committee Chair or the Board.
- With Management, the Committee Chair shall prepare an agenda and suggest support materials that will be circulated to Committee members on a timely basis prior to the committee meetings.
- The Senior Vice President, People & Corporate
- shall be available to attend Committee meetings as well as the President & Chief Executive Officer and other executives by invitation of the Chair of the Committee.

## Reporting

- Following the Committee meeting the Committee Chair provides a verbal report to the Board. The Committee will then review the draft meeting minutes which will be finalized and approved at the next meeting of the Committee. Meeting minutes are posted for all Board members on Diligent.
- All members of the Board are welcome to attend meetings of the Committee.