



**Arch Coal, Inc.**




**ACI NYSE**

Coal

Market Capitalization USD:

**\$3,106.73 mm**

**CONCERN LEVEL: AVERAGE**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years. 
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group. 
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

**CEO: Steven F. Leer**

**Age: 59**

**CEO Since: 1992**

	2009	2010	2011
<b>Base Salary</b>	\$850,000	\$850,000	\$975,000
<b>Discretionary Bonus</b>	\$0	\$0	\$0
<b>Annual Cash Incentive</b>	\$624,800	\$1,445,000	\$2,064,206
<b>Benefits and Perquisites</b>	\$146,881	\$118,069	\$212,331
<b>TOTAL ANNUAL COMPENSATION</b>	<b>\$1,621,681</b>	<b>\$2,413,069</b>	<b>\$3,251,537</b>
<b>Increase in Post-Retirement Benefits</b>	\$561,205	\$390,617	\$780,969
<b>Stock Option Awards</b>	\$1,365,391	\$1,360,587	\$1,871,521
<b>Stock Awards</b>	\$0	\$0	\$662,796
<b>TOTAL COMPENSATION</b>	<b>\$3,548,277</b>	<b>\$4,164,273</b>	<b>\$6,566,823</b>
<b>Median of Other Named Executive Officers Total Compensation</b>	\$1,478,033	\$1,594,526	\$2,663,244
<b>Value Realized on Exercise of Stock Option</b>	\$0	\$0	\$0
<b>Value Realized on Vesting of Stock</b>	\$26,061	\$0	\$537,726
<b>TOTAL REALIZED EQUITY COMPENSATION</b>	<b>\$26,061</b>	<b>\$0</b>	<b>\$537,726</b>

**Proxy Date:** 16 Mar 2012

**Annual Meeting Date:** 26 Apr 2012

**Equity Reserves:**

**Stock Option Run Rate:** 0.34%

# Arch Coal, Inc.

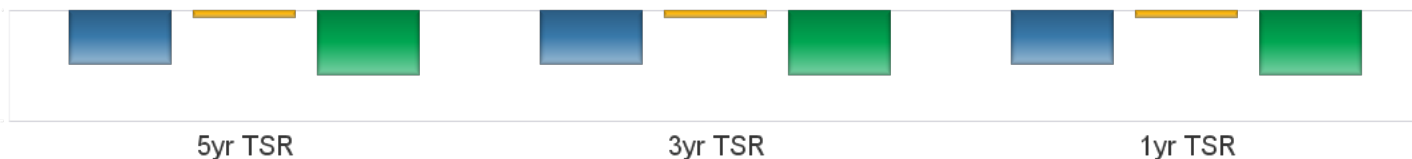
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## Performance Comparison

■ vs S&P500   ■ vs Industry   ■ ACI



## Peer Comparisons (TRBC) = Energy

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
ACI	Arch Coal, Inc.	\$3,548,277	\$4,164,273	\$6,566,823	\$3,106,731,171
NFX	Newfield Exploration Company	\$3,917,424	\$5,166,733		\$5,343,020,370
OII	Oceaneering International, Inc.	\$4,719,891	\$5,801,402		\$3,835,562,227
BRS	Bristow Group Inc.	\$3,998,753	\$4,348,300		\$1,551,402,628
MMR	McMoRan Exploration Co.	\$1,202,597	\$4,688,000		\$1,573,771,580
PTEN	Patterson-UTI Energy, Inc.	\$3,817,916	\$4,975,840		\$2,698,979,669
BTU	Peabody Energy Corporation	\$11,391,872	\$9,591,003		\$9,175,520,372

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps.

Missing peer pay figures for 2011 are due to differences in company filing schedules.

### Pay Peer Group

Coal/Mining Peer Group: Alliance Resource Partners, L.P., Massey Energy Company, Alpha Natural Resources, Inc., Minerals Technologies, Inc., Cliffs Natural Resources, Inc., Natural Resource Partners L.P., Cloud Peak Energy, Inc., Patriot Coal Corporation, CONSOL Energy, Inc., Peabody Energy Corporation, International Coal Group, Inc., Vulcan Materials Company, Martin Marietta Materials, Walter Energy, Inc.

Energy Peer Group: AGL Resources, Inc., Noble Energy, Inc., ALON USA Energy, Inc., Pioneer Natural Resources Company, Ameren Corporation, PNM Resources, Inc., Cameron International Corporation, Pride International, Diamond Offshore Drilling, Inc., Questar Corporation, DTE Energy Company, Sempra Energy, El Paso Corporation, Southern Union Company, Frontier Oil Corporation, Southwestern Energy Company

### Performance Peer Group

NA

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Robert G. Potter	Chairman	72	Male	11	Outside Related
Douglas H. Hunt	Member	59	Male	17	Outside Related
Peter I. Wold	Member	64	Male	2	Outside
Theodore D. Sands	Member	66	Male	13	Outside Related
Wes M. Taylor	Member	69	Male	7	Outside

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