

ARCH COAL INC
Form DEF 14A
March 20, 2015

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

Arch Coal, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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JOHN W. EAVES

President and Chief Executive Officer

March 20, 2015

Dear fellow stockholder:

You are cordially invited to attend our annual meeting of stockholders on Thursday, April 23, 2015. We will hold the meeting at 10:00 a.m., Central time, in the lower level auditorium at our headquarters located at CityPlace One, One CityPlace Drive, St. Louis, Missouri 63141.

In connection with the annual meeting, we have enclosed a notice of the meeting, a proxy statement and a proxy card. We have also enclosed a copy of our annual report for 2014 which contains detailed information about us and our operating and financial performance.

If you wish to attend the meeting in person, you will need to obtain an admission ticket in advance. You can request a ticket by following the instructions set forth on page 1 of the proxy statement under the heading "*How Do I Gain Admission to the Annual Meeting.*" I hope that you will be able to attend the meeting, but I know that not every stockholder will be able to do so. Whether or not you plan to attend, I encourage you to vote your shares. You may vote by telephone or via the Internet, or complete, sign and return the enclosed proxy card. The prompt execution of your proxy will be greatly appreciated.

Thank you for your continued support of Arch Coal. We look forward to seeing you at the annual meeting.

Sincerely,

JOHN W. EAVES

President and Chief Executive Officer

ARCH COAL, INC.

1 CityPlace Drive, Suite 300

St. Louis, Missouri 63141

t: (314) 994-2700

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**One CityPlace Drive, Suite 300
St. Louis, Missouri 63141**

March 20, 2015

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held April 23, 2015**

The annual meeting of stockholders (the "Annual Meeting") of Arch Coal, Inc., a Delaware corporation (the "Company"), will be held in the lower level auditorium at our headquarters located at CityPlace One, One CityPlace Drive, St. Louis, Missouri 63141 on Thursday, April 23, 2015 at 10:00 a.m., Central time, to:

- (1) Elect the five nominees for director named in the attached proxy statement;
- (2) Vote on an advisory resolution to approve the Company's named executive officer compensation;
- (3) Ratify the appointment of Ernst & Young LLP, independent registered public accounting firm, as our independent auditors for the year ending December 31, 2015;
- (4) Authorize the Board of Directors of the Company to effect, in its discretion, a reverse stock split of the outstanding and treasury shares of common stock of the Company, at a reverse stock split ratio of either 1-for-5 or 1-for-10, as determined by the Board of Directors, and approve a corresponding amendment to the Company's Restated Certificate of Incorporation in the form attached to this Proxy Statement as Appendix A (to be filed if the Board determines a reverse stock split ratio of 1-for-5) or Appendix B (to be filed if the Board determines a reverse stock split ratio of 1-for-10) to effect the reverse stock split, subject to the Board of Directors' authority to abandon such amendment;
- (5) Vote on one stockholder proposal, if properly presented at the Annual Meeting; and
- (6) Consider any other business that may properly come before the Annual Meeting or any adjournment(s) or postponement(s) thereof.

March 14, 2015 has been fixed as the record date for the determination of stockholders entitled to receive notice of and to vote at the Annual Meeting or any adjournment(s) or postponement(s) thereof. If you own shares of common stock as of March 14, 2015, you may vote those shares via the Internet, by telephone or by attending the Annual Meeting and voting in person. If you received your proxy materials by mail, you may also vote your shares by completing and mailing your proxy/voting instruction card. ***If you wish to attend the Annual Meeting, you must request an admission ticket in advance by following the instructions on page 1 of the proxy statement under the heading "How Do I Gain Admission to the Annual Meeting."***

Your vote is important. Whether or not you plan to attend the Annual Meeting, please cast your vote by telephone or the Internet. If you received a proxy card by mail, you may complete, date and sign the proxy card and return it in the enclosed envelope.

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By Order of the Board of Directors

ROBERT G. JONES

*Senior Vice President-Law, General Counsel and
Secretary*

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PROXY SUMMARY

This summary highlights information contained in this Proxy Statement. The summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting.

Annual Meeting of Stockholders

Time and date: 10:00 a.m., Central time, April 23, 2015.

Place: Lower level auditorium at our headquarters located at CityPlace One, One CityPlace Drive, St. Louis, Missouri 63141.

Record Date: March 14, 2015.

Voting: Stockholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the other proposals.

Voting Items (With Board Recommendations in Parentheses)

Election of five directors. (FOR EACH NOMINEE)

Advisory resolution to approve named executive compensation. (FOR)

Ratification of the appointment of Ernst & Young LLP, independent registered public accounting firm, as our independent auditors for the year ending December 31, 2015. (FOR)

Authorize the Board of Directors of the Company to effect, in its discretion, a reverse stock split of the outstanding and treasury shares of common stock of Arch Coal, Inc. at a reverse stock split ratio of either 1-for-5 or 1-for-10, as determined by the Board of Directors and approve a corresponding amendment to the Company's Restated Certificate of Incorporation, subject to the Board of Director's authority to abandon such amendment. (FOR)

Consider one stockholder proposal. (AGAINST)

Board Nominees

Governor David D. Freudenthal. Senior Counsel, Crowell & Moring, LLC, and former Governor, State of Wyoming. Director since 2011.

Patricia F. Godley. Senior Counsel, Van Ness Feldman. Director since 2004.

Wesley M. Taylor. Former President, TXU Generation. Director since 2005.

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Peter I. Wold, President, Wold Oil Properties, Inc., and Director, Oppenheimer Funds, Inc. New York Board. Director since 2010.

James A. Sabala, Senior Vice President and Chief Financial Officer of Hecla Mining Company. Director since 2015.

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Other Directors

Term expiring in 2016

Paul T. Hanrahan, Chief Executive Officer, American Capital Infrastructure Management, LLC, and former President and Chief Executive Officer, The AES Corporation. Director since 2012.

Paul A. Lang, Executive Vice President and Chief Operating Officer, Arch Coal, Inc. since April 2012. Director since February 2014.

Theodore D. Sands, President, HAAS Capital, LLC, and former Managing Director, Investment Banking for Global Metals/Mining Group, Merrill Lynch & Co. Director since 1999.

Term expiring in 2017

John W. Eaves, President and Chief Executive Officer, Arch Coal, Inc. Director since 2006.

Douglas H. Hunt, Director of Acquisitions, Petro-Hunt, LLC. Director since 1995.

J. Thomas Jones, Former Chief Executive Officer, West Virginia United Health System. Director since 2010.

George C. Morris III, President, Morris Energy Advisors, Inc., and former Managing Director, Merrill Lynch & Co. Director since 2012.

Annual Meeting Admission Policy

If you wish to attend the Annual Meeting, you must request an admission ticket in advance by following the instructions set forth on page 1 under the heading "*How Do I Gain Admission to the Annual Meeting.*"

Key Elements of Our Compensation Program

Pay for Performance A significant portion of compensation for each of the NEOs is tied to key performance-based metrics.

Mix of Short-Term and Long-Term Incentives Our incentive program has an appropriate mix of annual and long-term incentives.

No Stock Options Beginning in 2014, the Company stopped awarding stock options as a component of our long-term incentive program.

Performance Shares Tied to Operational Measures The Company has replaced stock options with performance shares in an effort to create a more performance-oriented compensation program. Performance targets for these awards are tied to operational cash flow, with total payouts modified based on total stockholder return relative to our peer companies.

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Award Caps There are maximum limits on our annual and long-term performance based awards. For the 2015 annual incentive compensation program year, the Company has reduced the maximum payout level for safety and environmental compliance measures from 225% to 200%.

Share Ownership Requirements We have stock ownership requirements in place for our senior officers and directors. In 2014, we revised our stock ownership requirements for both directors and senior officers, and added a provision that requires them to hold a minimum of 67% of the net shares resulting from any future vesting of restricted stock, restricted stock units or performance shares if they have not met these requirements.

Clawback Policy In February 2015, the Company adopted a clawback policy that applies to all senior officers of the Company for performance-based compensation granted on or after the effective date of the policy.

Anti-Hedging and Anti-Pledging Policy We have a policy prohibiting directors and senior officers from engaging in any action designed to hedge or offset any change in the value of the Company's stock and from pledging any Company security.

Tally Sheets Tally sheets and wealth accumulation analyses for each executive officer are reviewed prior to making compensation decisions.

Stockholder Input in our Executive Compensation Program

The Company actively engages in discussions with various stakeholders on our compensation program. Based on some of those discussions we have made the following changes to our compensation program:

In 2014, the Company stopped awarding stock options as a component of the long-term incentive program.

In 2014, the Company added performance shares tied to operating cash flow and total stockholder return to the long-term incentive program.

Beginning with the 2015 annual incentive compensation program year, the maximum payout levels for both safety and environmental compliance measures have been reduced from 225% to 200%.

In February 2015, the Company adopted a clawback policy.

In 2014, the Company revised the stock ownership guidelines for directors and executive officers and added retention requirements if the guidelines are not met.

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Corporate Governance Highlights

Board Composition

There are 12 directors, 10 of which are independent.

The average age of the directors is 63, and the average length of tenure is 7.25 years.

The board of directors annually assesses its performance through board and committee self-evaluations.

The Nominating and Corporate Governance Committee leads the full board in considering board competencies and refreshment in light of company strategy.

Risk Oversight

The board of directors is responsible for risk oversight, and has designated committees to have particular oversight of key risks.

The board oversees management as management fulfills its responsibilities for the assessment and mitigation of risks and for taking appropriate risks.

Open Communication

We encourage open communication and strong working relationships among the chairman and other directors.

Our directors have access to management and employees.

We actively reach out to our stockholders through our engagement programs; and our stockholders are encouraged to reach out to the board and management.

Environmental and Safety Responsibility

The board of directors, led by the Energy and Environmental Policy Committee, monitors our programs and initiatives on sustainability and environmental matters.

Management actively engages with stakeholders on sustainability, environmental and safety matters.

A significant portion of our executives' at-risk compensation is tied to environmental and safety matters.

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2014 Company Highlights (Please See the Company's 2014 Annual Report)

Optimizing Cost Structure

The Company completed the successful ramp-up of its low-cost Leer Mine, and idled other higher-cost operations.

2014 SG&A was \$114 million, approximately 14% lower than 2013.

The Company ended 2014 with \$1.2 billion of liquidity, of which approximately \$1 billion was cash and cash equivalents.

2014 capital expenditures were \$147 million; approximately \$150 million lower than 2013.

The Company divested select, non-strategic assets in Appalachia for total cash consideration of \$46.7 million.

Safety and Environmental Performance

The Company's 2014 overall safety and environmental performance was its best performance since 2010.

SMCRA violations decreased nearly 30% year-over-year.

Out of 330,000 water sampling and analysis tests the Company had a 99.99% compliance rate.

2014 was the fourth consecutive year that a Company operation was honored with a prestigious Sentinels of Safety award. The Company's West Elk mine worked 585,614 employee hours without a lost-time incident.

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QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING

When and Where Is the 2015 Annual Meeting of Stockholders Being Held?

The 2015 annual meeting of stockholders (the "Annual Meeting") of Arch Coal, Inc., a Delaware corporation ("Arch" or the "Company"), will be held on Thursday, April 23, 2015. The Annual Meeting will be held at 10:00 a.m., Central time, in the lower level auditorium at our headquarters located at CityPlace One, One CityPlace Drive, St. Louis, Missouri 63141.

Who May Vote at the Annual Meeting?

Stockholders of the Company on March 14, 2015, the record date for the Annual Meeting, are entitled to receive notice of and to vote at the Annual Meeting or any adjournments or postponements of the Annual Meeting. Because the record date is a Saturday, the effective record date is the close of business on the immediately preceding business day. On the record date, Arch had 212,693,085 shares of common stock outstanding.

How Do I Gain Admission to the Annual Meeting?

If you wish to attend the Annual Meeting, you must be a stockholder on the record date and request an admission ticket in advance. **Each stockholder planning to attend the Annual Meeting will be asked to present an admission ticket and a valid photo identification, such as a driver's license or passport.** You may request an admission ticket by visiting www.proxyvote.com and following the instructions provided or by calling 1-866-232-3037. You will need the Control Number included on your proxy card, voter instruction form, or notice. Tickets will be issued to registered and beneficial owners and to one guest accompanying each registered or beneficial owner.

Requests for admission tickets will be processed in the order in which they are received. Please note that seating is limited and will be on a first-come, first-served basis.

No cameras, camcorders, videotaping equipment, other recording devices, bags or large packages will be permitted in the Annual Meeting. Photographs and/or video may be taken by Arch employees or independent contractors at the Annual Meeting, and those photographs and video images may be used by Arch. By attending the Annual Meeting, you will be agreeing to Arch's use of those images and waive any claim or rights with respect to those images and their use.

What Items Will Be Voted On at the Annual Meeting?

Stockholders will vote on the following items at the Annual Meeting:

The election of five director nominees to the board of directors (the "Board") of the Company (Proposal 1);

An advisory resolution to approve the Company's named executive officer compensation (Proposal 2);

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The ratification of the appointment of Ernst & Young LLP, independent registered public accounting firm, as our independent auditors for the year ending December 31, 2015 (Proposal 3);

The authorization of the Board to effect, in their discretion, a reverse stock split of the outstanding and treasury shares of common stock of the Company at a reverse stock split ratio of 1-for-5 or 1-for-10, as determined by the Board, as well as a corresponding amendment to the Company's Certificate of Incorporation, subject to the Board's authority to abandon such amendment (Proposal 4); and

One stockholder proposal, if properly presented at the Annual Meeting (Proposal 5).

What Are the Board's Voting Recommendations?

The Board recommends you vote your shares:

"FOR" each of the director nominees to the Board (Proposal 1);

"FOR" the advisory resolution to approve the Company's named executive officer compensation (Proposal 2);

"FOR" the ratification of the appointment of Ernst & Young LLP, independent registered public accounting firm, as our independent auditors for the year ending December 31, 2015 (Proposal 3);

"FOR" the authorization of the Board to effect, in their discretion, a reverse stock split of the outstanding and treasury shares of common stock of the Company at a reverse stock split ratio of 1-for-5 or 1-for-10, as determined by the Board, as well as a corresponding amendment to the Company's Certificate of Incorporation, subject to the Board's authority to abandon such amendment (Proposal 4);

and

"AGAINST" the one stockholder proposal (Proposal 5).

How Do I Vote?

If you are a registered stockholder, you may vote your shares in advance using any of the following voting alternatives:

By Internet You can vote over the Internet at www.proxyvote.com by following the instructions provided (you will need the Control Number from the Notice or proxy card you receive).

By Telephone You can vote by telephone by calling the toll-free number indicated on your proxy card or voting instruction card (you will need the Control Number from the Notice or proxy card you receive).

By Mail If you received your proxy materials by mail, you can vote by signing, dating and returning the accompanying proxy card.

Alternatively, you may vote your shares in person at the meeting.

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When your proxy is properly submitted, your shares will be voted as you indicate. If you do not indicate your voting preference, the appointed proxies (John W. Eaves and Robert G. Jones) will vote your shares FOR each of the director nominees to the Board under Proposal No. 1, FOR Proposal Nos. 2 - 4 and AGAINST Proposal No. 5. If your shares are owned in joint names, all joint owners must vote by the same method, and if joint owners vote by mail, all of the joint owners must sign the proxy card. The deadline for voting by telephone or via the Internet, except with respect to shares held through the Arch Coal, Inc. Employee Thrift Plan as described below, is 11:59 p.m., Eastern time, on the day before the Annual Meeting.

If you are a beneficial owner of shares held in street name, follow the instructions provided by your nominee to vote your shares. In most instances, you will be able to vote by the same methods as indicated above. You must have a legal proxy from the stockholder of record in order to vote the shares in person at the Annual Meeting.

If your shares are held through the Arch Coal, Inc. Employee Thrift Plan (the "Plan"), you may also vote as set forth above, except that Plan participants may not vote their Plan shares in person at the Annual Meeting. If you provide voting instructions by Internet, telephone or written proxy card, Mercer Trust Company, the Plan's Trustee, will vote your shares as you have directed. If you do not provide specific voting instructions, the Trustee will vote your shares in the same proportion as shares for which the Trustee has received instructions. Please note that you must submit voting instructions no later than April 20, 2015 at 11:59 p.m., Eastern time, in order for your shares to be voted by the Trustee at the Annual Meeting.

May I Change My Vote?

You may revoke your proxy and change your vote at any time before the voting deadline for the Annual Meeting. After your initial vote, you may vote again on a later date any time prior to the Annual Meeting via the Internet or by telephone (only your latest Internet or telephone proxy submitted prior to the voting deadline for the Annual Meeting will be counted), by signing and returning a new proxy card or voting instruction form with a later date, or by attending the Annual Meeting and voting in person. However, your attendance at the Annual Meeting will not automatically revoke your proxy unless you vote again at the Annual Meeting or specifically request in writing that your prior proxy be revoked.

How Many Votes Do I Have?

You have one vote for each share of our common stock that you owned at the close of business on the record date. These shares include:

Shares registered directly in your name with our transfer agent, for which you are considered the "stockholder of record;"

Shares held for you as the beneficial owner through a broker, bank, or other nominee in "street name;" and

Shares credited to your account in the Arch Coal, Inc. Employee Thrift Plan.

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Is My Vote Confidential?

Yes. Voting tabulations are confidential except in extremely limited circumstances. Such limited circumstances include contested solicitation of proxies, when disclosure is required by law, to defend a claim against us or to assert a claim by us and when a stockholder's written comments appear on a proxy or other voting material.

What Are Broker Non-Votes and How Are They Counted?

A broker non-vote occurs when a broker, bank, or other nominee holding shares on behalf of a beneficial owner is prohibited from exercising discretionary voting authority for a beneficial owner who has not provided voting instructions. Brokers, banks, and other nominees may vote without instruction only on "routine" proposals. On "non-routine" proposals, nominees cannot vote without instructions from the beneficial owner, resulting in so-called "broker non-votes." Proposal No. 3, the ratification of Ernst & Young, LLP as the Company's independent registered public accounting firm, is the only routine proposal on the ballot for the Annual Meeting. All other proposals are non-routine. If you hold your shares with a broker, bank, or other nominee, they will not be voted on non-routine proposals unless you give voting instructions to such nominee. Broker non-votes are counted as present and entitled to vote for purposes of determining a quorum at the meeting, but are not counted for purposes of determining the number of shares present and entitled to vote on non-routine matters.

What Is the Voting Requirement To Approve Each of the Proposals?

For Proposal No. 1, the five nominees receiving the highest number of affirmative votes of the shares entitled to be voted for them will be elected as directors to serve until their terms expire and until their successors are duly elected and qualified. Abstentions are not counted for the purpose of the election of directors, and neither abstentions nor broker non-votes will have any effect on the voting results.

Approval of Proposal No. 2, No. 3 and No. 5 requires the affirmative vote of a majority of the shares present or represented by proxy and voting at the Annual Meeting. The vote on Proposal No. 2, the approval of the Company's named executive officer compensation, is a non-binding advisory vote only.

Approval of Proposal No. 4 requires the affirmative vote of a majority of the shares authorized to vote at the Annual Meeting.

Abstentions and broker non-votes are not treated as votes cast. Accordingly, neither abstentions nor broker non-votes will affect the outcome of the voting on Proposal Nos. 2, 3 and 5. Since Proposal No. 4 requires the affirmative vote of a majority of the shares authorized to vote, abstentions and broker non-votes will act as votes against this proposal.

If a submitted proxy does not specify how to vote, the shares represented by that proxy will be considered to be voted in favor of each of the five nominees recommended by the Board in Proposal No. 1, for each of Proposal Nos. 2 - 4 and against Proposal No. 5. Unless a stockholder checks the box on the proxy card or provides instructions to withhold discretionary voting authority, the appointed proxies may use their discretion to vote on any other matters properly brought before the meeting. As of the date of this

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proxy statement, we know of no other matter that will be presented for consideration at the Annual Meeting other than those matters discussed in this proxy statement.

What "Quorum" Is Required for the Annual Meeting?

In order to have a valid stockholder vote, a quorum must exist at the Annual Meeting. For the Company, a quorum exists when stockholders holding a majority of the outstanding shares of common stock are present or represented at a meeting. For these purposes, shares that are present or represented by proxy at the Annual Meeting will be counted toward a quorum, regardless of whether the holder of the shares or proxy fails to vote on a particular matter or whether a broker with discretionary voting authority fails to exercise such authority with respect to any particular matter.

What Is Householding?

As permitted by the SEC, we may deliver only one copy of this proxy statement to stockholders residing at the same address, unless the stockholders have notified the Company of their desire to receive multiple copies of the proxy statement. This is known as householding.

The Company will promptly deliver, upon request, a separate copy of the proxy statement to any stockholder residing at an address to which only one copy was mailed. Requests for additional copies for the current year or future years should be directed to the Secretary, Arch Coal, Inc. One CityPlace Drive., Suite 300, St. Louis, Missouri, 63141, or by telephone at (314) 994-2700.

Where Can I Find the Voting Results?

We intend to announce preliminary voting results at the Annual Meeting. We will publish the final results in a Current Report on Form 8-K, which we expect to file within four business days after the Annual Meeting is held. You can obtain a copy of the Form 8-K by logging on to our website at archcoal.com, by calling the Securities and Exchange Commission (SEC) at 800-SEC-0330 for the location of the nearest public reference room, or through the EDGAR system at sec.gov. Information on our website does not constitute part of this proxy statement.

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DIRECTORS AND CORPORATE GOVERNANCE PRACTICES

Overview

Arch is dedicated to being a global leader in the coal industry and to creating long-term value for our stockholders. It is our policy to conduct our business with integrity and an unrelenting passion for providing the best value to our customers. All of our corporate governance materials, including the *Corporate Governance Guidelines*, our *Code of Business Conduct* and our board committee charters, are published under "Corporate Governance" in the Investors section of our website at archcoal.com. Information on our website does not constitute part of this proxy statement. The Board regularly reviews these materials, Delaware law, the rules and listing standards of the New York Stock Exchange and SEC regulations, as well as best practices suggested by recognized governance authorities and undertakes annual board and committee self-assessments, and modifies the materials as warranted.

Our certificate of incorporation and bylaws provide for a Board that is divided into three classes as equal in size as possible. The classes have three-year terms, and the term of one class expires each year in rotation at that year's annual meeting. The size of the Board can be changed by a two-thirds vote of its members. There are currently 12 members of the Board:

John W. Eaves	Paul A. Lang
David D. Freudenthal	Patricia Fry Godley
George C. Morris	Paul T. Hanrahan
Theodore D. Sands	Douglas H. Hunt
Wesley M. Taylor	J. Thomas Jones
Peter I. Wold	James A. Sabala

The Board met five times during 2014. In 2014, each director attended at least 75% of the aggregate of all of the meetings of the Board and committees on which he or she served, and each individual that was a director at the time of the Company's 2014 annual stockholders meeting attended the Company's 2014 annual stockholders meeting. Under the Company's *Corporate Governance Guidelines*, each director is expected to spend the time needed and meet as frequently as necessary to properly perform his or her duties and responsibilities, including attending annual and special meetings of the stockholders, the Board and committees of which he or she is a member.

Corporate Governance Guidelines and Code of Business Conduct

Corporate Governance Guidelines

The Board has adopted *Corporate Governance Guidelines*, which set forth a framework within which the Board, assisted by its committees, directs the affairs of the Company. These *Guidelines* address, among other items, the composition and functions of the Board, director independence, stock ownership by and compensation of directors, and director qualification standards.

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Code of Conduct

The Company has adopted the *Code of Business Conduct*, which is applicable to all employees of the Company, including the principal executive officer, the principal financial officer and the principal accounting officer, as well as all directors of the Company.

The *Corporate Governance Guidelines* and the *Code of Business Conduct* are available on the Company's website under the "Corporate Governance" heading in the "Investors" section at archcoal.com and in print to any stockholder who requests them from the Company's Secretary. We intend to post amendments to or waivers from (to the extent applicable to one of our directors or executive officers) the *Code of Business Conduct* at the same location on our website. Information on our website does not constitute part of this proxy statement.

Director Independence

It is the Board's objective to have a substantial number of directors who are independent. The *Corporate Governance Guidelines* incorporate the criteria established by the New York Stock Exchange to assist the Board in determining whether a director is independent. The Board has determined, in its judgment, that all but two members, John W. Eaves and Paul A. Lang, meet the New York Stock Exchange standards for independence. The independent members of the Board meet regularly without any members of management present. These sessions are normally held following or in conjunction with regular Board meetings.

All members of our Audit, Nominating and Corporate Governance and Personnel and Compensation Committees must be independent directors in accordance with our *Corporate Governance Guidelines*. Members of the Audit Committee must also satisfy a separate SEC independence requirement, which provides that they may not accept, directly or indirectly, any consulting, advisory or other compensatory fee from us or any of our subsidiaries other than their directors' compensation.

Leadership Structure

Mr. Wesley M. Taylor has served as the chairman of our Board since being appointed as chairman in April 2014. The Board has no fixed policy with respect to the separation of the offices of chairman and chief executive officer. Instead, the Board retains the discretion to make this determination on a case-by-case basis from time to time as it deems to be in the best interest of the Company and our stockholders at any given time. The Company's current structure is that Mr. Taylor serves as chairman of the Board, and Mr. Eaves serves as chief executive officer of the Company.

In addition, the *Corporate Governance Guidelines* provide that, if the chairman of the Board is the chief executive officer, or is not an independent director, the independent directors of the Board shall elect a lead director to lead executive session meetings of the independent members of the Board.

The entire Board is responsible for oversight of the Company's risk management processes. Our risk management department provides periodic reports to the Board's Audit Committee and provides reports to

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our Board at least once per year. In addition, the Board and its standing committees periodically request supplemental information or reports as they deem appropriate.

Director Qualifications, Diversity and Biographies

The *Corporate Governance Guidelines* provide that our Nominating and Corporate Governance Committee and Board will nominate candidates for our board of directors who possess the following principal qualities: strength of character, an inquiring and independent mind, practical wisdom, and mature judgment. In addition to these qualities, the selection criteria for nomination include recognized achievement, an ability to contribute to some aspect of our business, and the willingness to make the commitment of time and effort required of a director.

As described in more detail below, our Board believes that each of our directors meets such criteria and has attributes and experience that make him or her well qualified to serve. While we do not have a formal diversity policy, in order to find the most valuable talent available to meet these criteria, our Board generally considers candidates diverse in geographic origin, gender, ethnic background, and professional experience (private, public, and non-profit), pursuant to our *Corporate Governance Guidelines*. Our goal is to include members with the skills and characteristics that, taken together, will assure a strong Board.

Our directors have diverse backgrounds and provide experience and expertise in a number of critical areas. The Nominating and Corporate Governance Committee considers the particular experience, attributes, reputation and qualifications of directors standing for re-election and potential nominees for election, as well as the needs of our Board as a whole and its individual committees. In nominating candidates for election by our stockholders, both the Nominating and Corporate Governance Committee and the Board act pursuant to these guidelines. Both the Nominating and Corporate Governance Committee and the Board assess the effectiveness of corporate governance policies, including with respect to diversity, through completion of an annual evaluation process.

The Nominating and Corporate Governance Committee has identified nine areas of expertise that are particularly relevant to service on the Board and has identified the directors whose key areas of expertise qualify them for each of the listed categories. The categories identified by the Nominating and Corporate Governance Committee are:

CEO/Senior Management Experience working as a chief executive officer or senior officer of a major public or private company or non-profit entity.

Energy Extensive knowledge and experience in the energy industry, either as a senior executive of an energy company, as a senior executive of a customer of an energy company or through legal or regulatory experience on energy matters.

Environmental and Safety A thorough understanding of safety and environmental issues and energy industry regulations.

Finance and Accounting Senior executive-level experience in financial accounting and reporting, auditing, corporate finance and/or internal controls.

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Governance/Board Prior or current experience as a board member of a major organization (private, public or non-profit).

Government Relations Experience in or a strong understanding of the workings of government and public policy on a local, state and national level.

Human Resources and Compensation Senior executive-level experience or membership on a board compensation committee with an extensive understanding of compensation programs, particularly compensation programs for executive-level employees and incentive based compensation programs.

Marketing Senior executive-level experience in marketing combined with a strong working knowledge of our domestic and international markets, customers and strategy.

Strategic Planning Senior executive-level experience in strategic planning for a major public, private or non-profit entity.

The following is a list of our directors, their ages as of February 27, 2015, their occupation during the last five years and certain other biographical information, including the areas of expertise where each director or nominee is most skilled:

CLASS III DIRECTORS WHO ARE UP FOR ELECTION AT THE ANNUAL MEETING

Director	Areas of Expertise	Occupation and Other Information
Governor David D. Freudenthal Age 64 Director since 2011	CEO/Senior Management Energy Governance/Board Government Relations Strategic Planning	Since June 2011, Governor Freudenthal has been Senior Counsel with the law firm of Crowell & Moring, LLC. Governor Freudenthal served as the Governor of Wyoming from 2003 until January 2011. Prior to his service as Governor, he served as U.S. Attorney for the District of Wyoming. Governor Freudenthal contributes to the mix of experience and qualifications the Board seeks to maintain primarily through his experience as Governor for the State of Wyoming. This experience has provided Governor Freudenthal with a significant understanding of the regulatory and governmental issues facing the Company in our daily operations.

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Director

Patricia F. Godley
Age 66
Director since 2004

Areas of Expertise

Energy
Environmental and Safety
Governance/Board
Government Relations
Human Resources and Compensation
Strategic Planning

Occupation and Other Information

From 1998 until July 2012, Ms. Godley served as a partner with the law firm of Van Ness Feldman, practicing in the areas of economic and environmental regulation of electric utilities and natural gas companies. Ms. Godley retired as a partner effective July 2012, and now serves as Senior Counsel and Consultant to the firm. In June 2013, Ms. Godley joined the Board of Directors of Graymont Ltd., a privately-owned lime producing and processing company headquartered in Richmond, British Columbia, Canada, and serves on the board's Audit Committee and Environment, Safety and Health Committee. Ms. Godley is also a director of the United States Energy Association, which is the U.S. arm of the World Energy Council.

Ms. Godley contributes to the mix of experience and qualifications the Board seeks to maintain primarily through her work as an attorney in the areas of economic and environmental regulations. This experience has provided Ms. Godley with an in-depth knowledge of the ever changing regulatory environment that the Company faces, and dealing with governmental agencies in this regulatory environment. From her work in this area, she also has an extensive background in the energy industry and the environmental issues facing the Company.

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Director

Wesley M. Taylor
Age 72
Director since 2005

Areas of Expertise

CEO/Senior Management
Energy
Environmental and Safety
Finance & Accounting
Governance/Board
Government Relations
Human Resources and Compensation
Marketing
Strategic Planning

Occupation and Other Information

Mr. Taylor was appointed the Chairman of the Board of Arch Coal, Inc. in April 2014. Mr. Taylor served as lead director of the Board from February 2013 to April 2014. Mr. Taylor was President of TXU Generation, a company engaged in electricity infrastructure ownership and management. Mr. Taylor served at TXU for 38 years prior to his retirement in 2004. Mr. Taylor also serves on the board of directors of FirstEnergy Corporation.

Mr. Taylor contributes to the mix of experience and qualifications the Board seeks to maintain primarily through his experience with TXU Generation, as well as his service as a member of the board of directors of FirstEnergy Corporation. Mr. Taylor's experience has provided him with a strong background in the energy industry. In addition, as President of TXU Generation, Mr. Taylor brings to our Board the experience of guiding a company in all aspects of its day-to-day operations.

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Director

Peter I. Wold
Age 67
Director since 2010

Areas of Expertise

CEO/Senior Management
Energy
Environmental and Safety
Finance and Accounting
Governance/Board
Government Relations
Strategic Planning

Occupation and Other Information

Mr. Wold is President and co-owner of Wold Oil Properties, LLC, and Wold Energy Partners, L.L.C., both companies are engaged in oil and gas exploration and production. He is also Vice President of American Talc Company, a corporation that mines and processes talc in Western Texas. He is a director of the Oppenheimer Funds, Inc. New York Board. Mr. Wold has also served in the Wyoming House of Representatives, as a director of the Denver Branch of the Kansas City Federal Reserve Bank, and recently completed six years on the Wyoming Enhanced Oil Recovery Commission.

Mr. Wold contributes to the mix of experience and qualifications the Board seeks to maintain primarily through his experience as president of oil and gas exploration and production companies, as well as his positions with Oppenheimer Funds, Inc. and the Kansas City Federal Reserve Bank. This experience has provided Mr. Wold with a deep understanding of the financial hurdles and constraints companies face in today's economy. In addition, as head of an energy company, Mr. Wold has a strong understanding of the environmental and other regulatory issues the Company faces, particularly in the Western United States.

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CLASS I DIRECTOR WHO IS UP FOR ELECTION AT THE ANNUAL MEETING

Director	Areas of Expertise	Occupation and Other Information
<p>James A. Sabala Age 60 Director since 2015</p>	<p>CEO/Senior Management Environmental & Safety Finance and Accounting Marketing Human Resources and Compensation Strategic Planning</p>	<p>Mr. Sabala is Senior Vice President and Chief Financial Officer of Hecla Mining Company, a silver, gold, lead and zinc mining company with operations throughout North America. Mr. Sabala was appointed Chief Financial Officer in May 2008 and Senior Vice President in March 2008. Prior to his employment with Hecla Mining Company, Mr. Sabala was Executive Vice President – Chief Financial Officer of Coeur d'Alene Mines Corporation from 2003 to February 2008. Mr. Sabala also served as Vice President – Chief Financial Officer of Stillwater Mining Company from 1998 to 2002.</p> <p>Mr. Sabala contributes to the mix of experience and qualifications the Board seeks to maintain through his position as Chief Financial Officer of a publicly traded mining company. Mr. Sabala's business experience has provided him with a strong understanding of financial accounting and reporting, auditing, corporate finance and internal control matters. In addition, Mr. Sabala brings to our Board significant mining experience, providing our Board with an individual with extensive experience in the strategic planning, environmental and safety matters required in our industry.</p>

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THE FOLLOWING CLASSES OF DIRECTORS ARE NOT UP FOR ELECTION AT THE ANNUAL MEETING

CLASS I DIRECTORS WHOSE TERM EXPIRES AT THE 2016 ANNUAL MEETING

Director	Areas of Expertise	Occupation and Other Information
Paul T. Hanrahan Age 57 Director since 2012	CEO/Senior Management Energy Environmental & Safety Finance and Accounting Governance/Board Government Relations Marketing Human Resources and Compensation Strategic Planning	<p>Since October 2012, Mr. Hanrahan has served as the Chief Executive Officer of American Capital Infrastructure Management, LLC, a company which invests in global energy infrastructure assets. From 2002 until 2011, Mr. Hanrahan served as President and Chief Executive Officer of The AES Corporation, a global power company headquartered in Arlington, Virginia, and as its Executive Vice President and Chief Operating Officer from 2000 to 2002.</p> <p>Mr. Hanrahan also served as President and Chief Executive Officer of AES China Generating Co. for more than five years. He currently serves on the boards of Ingredion Incorporated, Seven Seas Water Corporation, GreatPoint Energy, Inc., Azura Power Holdings Limited and BMR Energy, LLC.</p> <p>Mr. Hanrahan contributes to the mix of qualifications the Board seeks to maintain through his current position as Chief Executive Officer of a company investing in energy infrastructure assets, as well as his former senior management positions with The AES Corporation. Serving in these capacities has provided Mr. Hanrahan with a strong understanding of the energy industry and the regulatory issues our clients face. In addition, Mr. Hanrahan brings to our Board experience in leading public companies as they expand internationally, having served as the Chief Executive Officer of a global public company. Finally, Mr. Hanrahan's service on other boards provides him with valuable governance and oversight experience.</p>

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Director	Areas of Expertise	Occupation and Other Information
Paul A. Lang Age 54 Director since 2014	CEO/Senior Management Energy Environmental and Safety Finance and Accounting Governance/Board Marketing Human Resources and Compensation Strategic Planning	<p>Mr. Lang has served as our Executive Vice President and Chief Operating Officer since April 2012 and as our Executive Vice President-Operations from August 2011 to April 2012. Mr. Lang served as Senior Vice President-Operations from 2006 through August 2011, as President of Western Operations from 2005 through 2006 and President and General Manager of Thunder Basin Coal Company from 1998 to 2005. He currently serves on the boards of Advanced Emissions Solutions, Inc. and Knight Hawk Coal Company. Mr. Lang also serves on the development board of the Mining Department of the Missouri University of Science & Technology, and is chairman of the University of Wyoming's School of Energy Resources Council.</p> <p>Mr. Lang, through his various roles at Arch Coal, Inc. and related coal industry product development, as well as international markets, brings a mix of experience and qualifications the Board seeks to maintain. As Executive Vice President and Chief Operating Officer, Mr. Lang has an extensive understanding of the Company, industry and customer base.</p>

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Director	Areas of Expertise	Occupation and Other Information
Theodore D. Sands Age 69 Director since 1999	Energy Finance and Accounting Governance/Board Human Resources and Compensation Strategic Planning	<p>Since 1999, Mr. Sands has served as President of HAAS Capital, LLC, a private consulting and investment company. Mr. Sands served as Managing Director, Investment Banking for the Global Metals/Mining Group of Merrill Lynch & Co. from 1982 until 1999. Mr. Sands has also served as a member of the board of directors for several other companies.</p> <p>Mr. Sands contributes to the mix of experience and qualifications the Board seeks to maintain primarily through his prior role at Merrill Lynch and as the head of a private investment company. In leading an investment company in today's economy, Mr. Sands has a strong understanding of the financial hurdles public companies face, as well as an in-depth knowledge of the various financing avenues available for a company. In addition, his past experience as a board member for several other companies adds valuable prior oversight experience to our Board.</p>

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CLASS II DIRECTORS WHOSE TERM EXPIRES AT THE 2017 ANNUAL MEETING

Director	Areas of Expertise	Occupation and Other Information
<p>John W. Eaves Age 57 Director since 2006</p>	<p>CEO/Senior Management Energy Environmental and Safety Governance/Board Government Relations Marketing Human Resources and Compensation Strategic Planning</p>	<p>Mr. Eaves currently serves as our President and Chief Executive Officer. Mr. Eaves served as our President and Chief Operating Officer from 2006 until he was elected as our Chief Executive Officer in April 2012. From 2002 to 2006, Mr. Eaves served as our Executive Vice President and Chief Operating Officer. Mr. Eaves currently serves on the boards of COALOGIX, National Mining Association, the Business Roundtable, the American Coalition for Clean Coal Electricity and the Business Council. Mr. Eaves was previously a director of Advanced Emissions Solutions, Inc. and former chairman of the National Coal Council.</p> <p>Mr. Eaves contributes to the mix of experience and qualifications the Board seeks to maintain primarily through his position as President and Chief Executive Officer of the Company. As President and Chief Executive Officer, and as a result of the experience he has gained during his tenure with the Company, Mr. Eaves has intimate knowledge of all aspects of the Company's business and close working relationships with all of the Company's senior executives. In addition, as Chief Executive Officer, Mr. Eaves has an extensive understanding of the Company's industry and customer base.</p>

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Director	Areas of Expertise	Occupation and Other Information
<p>Douglas H. Hunt Age 62 Director since 1995</p>	<p>CEO/Senior Management Energy Environmental and Safety Finance & Accounting Human Resources and Compensation Strategic Planning</p>	<p>Since 1995, Mr. Hunt has served as Director of Acquisitions of Petro-Hunt, LLC, a private oil and gas exploration and production company.</p> <p>Mr. Hunt contributes to the mix of experience and qualifications the Board seeks to maintain primarily through his long-time position as a senior officer for Petro-Hunt, LLC. As Director of Acquisitions of Petro- Hunt, LLC, Mr. Hunt has significant experience as a senior officer in the energy industry and in the strategic planning of companies as they look to grow their business.</p>
<p>J. Thomas Jones Age 65 Director since 2010</p>	<p>CEO/Senior Management Finance & Accounting Governance/Board Government Relations Human Resources and Compensation Strategic Planning</p>	<p>Mr. Jones was Chief Executive Officer of West Virginia United Health System located in Fairmont, West Virginia from 2002 until his retirement in January 2014. From 2000 to 2002, Mr. Jones served as Chief Executive Officer of Genesis Hospital System in Huntington, West Virginia. Mr. Jones is also a director of City Holding Company, Inc., a past Director of Premier, Inc. and a member of the West Virginia University Board of Governors.</p> <p>Mr. Jones contributes to the mix of experience and qualifications the Board seeks to maintain primarily through his services as Chief Executive Officer of health systems in the State of West Virginia. Being in charge of companies in a heavily regulated industry, Mr. Jones brings the valuable experience of assisting a company navigate through an ever changing regulatory background.</p>

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Director	Areas of Expertise	Occupation and Other Information
George C. Morris III Age 59 Director since 2012	CEO/Senior Management Energy Finance and Accounting Governance/Board Strategic Planning	<p>Since 2009 Mr. Morris has served as President of Morris Energy Advisors, Inc., and its successor Morris Energy Advisors, LLC. From 2006 until his retirement in 2009, Mr. Morris served as a managing director at Merrill Lynch & Co. Prior to 2006, Mr. Morris served as a managing director of investment banking at Petrie Parkman & Co. until its acquisition by Merrill Lynch & Co. in 2006, and also previously served as a managing director of investment banking at Simmons & Company International, as a director of investment banking at Merrill Lynch & Co., and as a director of investment banking at The First Boston Corporation. Mr. Morris also serves on the board of directors of Calumet GP, LLC, the general partner of Calumet Specialty Products Partners, L.P.</p> <p>Mr. Morris contributes to the mix of experience and qualifications the Board seeks to maintain primarily through his experience and roles with a variety of investment companies, including his most recent role as a managing director at Merrill Lynch & Co. His experience in advising clients of investment companies provides Mr. Morris with a strong understanding of the financial hurdles public companies face, including the various financing avenues available for a company. In addition, his board member experience adds additional valuable management and oversight knowledge to our Board.</p>

Table of Contents**Board Meetings and Committees**

The Board has the following five committees: Nominating and Corporate Governance, Finance, Personnel and Compensation, Audit, and Energy and Environmental Policy. The table below contains information concerning the membership of each of the committees as of December 31, 2014, and the number of times the Board and each committee met during 2014. Each director attended at least 75% of the total number of meetings of the Board and of the committees on which he or she serves. In addition, all individuals who were directors at the time of the 2014 annual meeting attended last year's annual meeting.

	Board of Directors*	Nominating and Corporate Governance	Finance	Personnel and Compensation	Audit	Energy and Environmental Policy
Mr. Eaves	M		M			M
Gov. Freudenthal	M			M		C
Ms. Godley	M	C		M		
Mr. Hunt	M			M		M
Mr. Hanrahan	M	M			C	
Mr. Jones	M		M	C		
Mr. Lang	M		M			M
Mr. Morris	M		M		M	
Mr. Sands	M	M	C	M		
Mr. Taylor	C	M			M	
Mr. Wold	M				M	M
Number of 2014 meetings	5	6	5	7	7	5

C Chair M Member

*

Mr. Sabala is not included in the table since he was appointed as a director in February 2015. Mr. Sabala is a member of the Audit and Finance Committees.

Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee is responsible for the following items:

identifying individuals qualified to become directors and recommending candidates for membership on the Board and its committees, as described under the heading "Nomination Process for Election of Directors;"

developing and recommending the *Corporate Governance Guidelines* to the Board; and

reviewing the effectiveness of Board governance, including overseeing an annual assessment of the performance of the Board and each of its committees.

The Board has determined, in its judgment, that the Nominating and Corporate Governance Committee is composed entirely of independent directors as defined in the New York Stock Exchange listing standards. The Nominating and Corporate Governance Committee operates under a written charter adopted by the Board, a copy of which is published under "Corporate Governance" in the Investors section of our website at archcoal.com.

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Finance Committee

The Finance Committee reviews and approves fiscal policies relating to our financial structure, including our debt, cash and risk management policies. The Finance Committee also reviews and recommends to the Board appropriate action with respect to significant financial matters, including dividends on our capital stock, major capital expenditures and acquisitions, and funding policies of our employee benefit plans.

Personnel and Compensation Committee

The Personnel and Compensation Committee is responsible for the following items:

reviewing and recommending to the Board the design of and associated payments related to the compensation programs for our named executive officers, non-employee directors and other key personnel;

reviewing and recommending to the Board the participation of executives and other key management employees in the various compensation plans; and

monitoring our succession planning and management development practices.

The Board has determined, in its judgment, that the Personnel and Compensation Committee is composed entirely of independent directors as defined in the New York Stock Exchange listing standards. In making its determination, the Board considered, among other things, the factors applicable to members of the Personnel and Compensation Committee pursuant to New York Stock Exchange listing standards and Rule 10C-1 of the Securities Exchange Act of 1934. The Personnel and Compensation Committee operates under a written charter adopted by the entire Board, a copy of which is published under "Corporate Governance" in the Investors section of our website at archcoal.com. The report of the Personnel and Compensation Committee can be found under "Personnel and Compensation Committee Report" in this proxy statement.

Audit Committee

The Audit Committee is responsible for the following items:

monitoring the integrity of our consolidated financial statements, internal accounting, financial controls, disclosure controls and financial reporting processes;

confirming the qualifications and independence of our independent registered public accounting firm;

evaluating the performance of our internal audit function and our independent registered public accounting firm; and

reviewing our compliance with legal and regulatory requirements.

The Audit Committee is directly responsible for the appointment, compensation and oversight of the work of our independent registered public accounting firm. The Board has determined, in its judgment,

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that the Audit Committee is composed entirely of independent directors in compliance with the New York Stock Exchange listing standards and Rule 10A-3 of the Securities Exchange Act of 1934. The Audit Committee operates under a written charter adopted by the Board, a copy of which is published under "Corporate Governance" in the Investors section of our website at archcoal.com.

The Board has also determined, in its judgment, that Mr. Hanrahan is an "audit committee financial expert" and that each member of the Audit Committee is "financially literate." Our *Corporate Governance Guidelines* do not currently restrict the number of audit committees of public companies on which members of our Audit Committee may serve. The Board has determined that none of the members of the Audit Committee currently serves on the audit committees of more than three public companies. The report of the Audit Committee can be found under "Audit Committee Report" in this proxy statement.

Energy and Environmental Policy Committee

The Energy and Environmental Policy Committee reviews, assesses and provides advice to the Board on current and emerging energy and environmental policy trends and developments that affect or could affect us. In addition, the Energy and Environmental Policy Committee makes recommendations concerning whether, and to what extent, we should become involved in current and emerging energy and environmental policy issues.

Director Retirement/Resignation Policies

Our Board has a policy requiring members to submit their resignation to the Board for consideration effective as of the Company's annual meeting immediately following a member's 72nd birthday. The Annual Meeting will be the first annual meeting following the 72nd birthday of Mr. Taylor. Mr. Taylor has submitted his resignation to the Board; however, the Board has asked him to stay on as a director. Mr. Taylor has agreed, subject to the approval of the stockholders at the Annual Meeting. Vacancies on the Board may be filled by a majority of the remaining directors. A director elected to fill a vacancy, or a new directorship created by an increase in the size of the Board, serves for the remainder of the full term of the class of directors in which the vacancy or newly created directorship occurred.

The *Corporate Governance Guidelines* requires any nominee for director in an uncontested election who receives a greater number of votes "withheld" from his or her election than votes "for" such election to offer his or her resignation to the Board. In the event a resignation is tendered, the Nominating and Corporate Governance Committee and the Board will evaluate the best interests of the Company and its stockholders and make a determination on the action to be taken with respect to such offered resignation, which may include (i) accepting the resignation, (ii) maintaining the director but addressing the underlying cause of the withheld votes, (iii) resolving that the director will not be re-nominated in the future for election, or (iv) rejecting the resignation. Following a determination by the Board, the Company will disclose the Board's decision in a filing with the SEC, a press release, or another broadly disseminated means of communication. The *Corporate Governance Guidelines* require the Board to nominate for election or re-election only those candidates who agree in advance in writing to tender a resignation letter in

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accordance with these terms. Each nominee for election at the Annual Meeting has agreed to follow this policy as set forth in the *Corporate Governance Guidelines*.

Conflicts of Interest

Our code of conduct reflects our policy that all of our employees, including the named executive officers, and directors must avoid any activity that creates, or may create, a conflict of interest that might interfere with the proper performance of their duties or that might be hostile, adverse or competitive with our business. In addition, each of our directors and executive officers is encouraged to notify our Board when confronted with any situation that may be perceived as a conflict of interest, even if the person does not believe that the situation would violate our *Code of Business Conduct* or *Corporate Governance Guidelines*. The Board will then determine, after consultation with counsel, whether a conflict of interest exists. Directors who have a material personal interest in a particular issue may not vote on any matters with respect to that issue.

Compensation Committee Interlocks and Insider Participation

Gov. Freudenthal, Ms. Godley, Mr. Hunt, Mr. Jones, and Mr. Sands each served on the Personnel and Compensation Committee during the 2014 calendar year. None of the directors who served on the Personnel and Compensation Committee during 2014 has been an officer or employee of Arch. None of our executives has served on the Board or compensation committee of any other entity that has or has had one or more executives serving as a member of our Board or compensation committee.

Nomination Process for Election of Directors

The Nominating and Corporate Governance Committee has responsibility for assessing the need for new directors to address specific requirements or to fill a vacancy. The committee initiates a search for a new candidate seeking input from our chairman and from other directors. The committee may retain an executive search firm to identify potential candidates. All candidates must meet the requirements specified in our *Corporate Governance Guidelines*. Candidates who meet those requirements and otherwise qualify for membership on our Board are identified, and the committee initiates contact with preferred candidates. The committee regularly reports to the Board on the progress of the committee's efforts. The committee meets to consider and approve final candidates who are then presented to the Board for consideration and approval. Our chairman or the chairman of the Nominating and Corporate Governance Committee may extend an invitation to join the Board.

Stockholder recommendations should be submitted in writing to Robert G. Jones, our Secretary, and should include information regarding nominees required under our bylaws. Individuals recommended by stockholders will receive the same consideration received by individuals identified to the Nominating and Corporate Governance Committee through other means.

In addition, the Company recently amended its bylaws to include a proxy access provision. Under the Company's bylaws, stockholders who meet the requirements set forth in the bylaws may include a specified number of director nominees in the Company's proxy materials.

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Communicating With the Board of Directors

Our Board has established procedures intended to facilitate communication by stockholders and interested parties directly with the Board as a whole, any of our Board committees, our lead director, any other individual director or group of directors, including our non-employee directors as a whole. Such communications may be confidential or anonymous, and may be reported by phone to our confidential hotline at 866-519-1881 or by writing to the individual directors or group in care of Arch Coal, Inc., One CityPlace Drive, Suite 300, St. Louis, Missouri 63141, Attention: Senior Vice President-Law, General Counsel and Secretary. All such communications are promptly communicated to the Chairman, lead director, the chairman of the Audit Committee or our Director of Internal Audit, as appropriate.

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**ELECTION OF DIRECTORS
(PROPOSAL NO. 1)**

A total of five directors are up for election at the Annual Meeting. The terms of these directors (Governor Freudenthal, Ms. Godley, Mr. Taylor, Mr. Wold and Mr. Sabala) will expire at the Annual Meeting. Our Board has nominated Governor Freudenthal, Ms. Godley, Mr. Taylor and Mr. Wold for re-election for a three-year term that will expire in 2018. Mr. Sabala was appointed to the Board in February 2015, and he is a Class I director. Our Board has nominated Mr. Sabala for re-election for a one-year term that will expire in 2016 when the terms of our other Class I directors expire.

To the knowledge of the Board, no nominee will be unwilling or unable to serve as a director. All nominees have consented to be named in the proxy statement and to serve if elected. If, however, a nominee is unavailable for election, your proxy authorizes us to vote for a replacement nominee if the Board names one. As an alternative, the Board may reduce the number of directors to be elected at the Annual Meeting.

Recommendation of the Board

The Board recommends a vote "FOR" each nominee.

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**ADVISORY RESOLUTION TO APPROVE NAMED EXECUTIVE OFFICER COMPENSATION
(PROPOSAL NO. 2)**

The Board has adopted a policy to hold an annual advisory vote on executive compensation until the next required vote on the frequency of such advisory votes. We are required to hold such frequency votes at least every six years, and we expect the next such frequency vote to be held in 2017. We are seeking advisory stockholder approval of the compensation of named executive officers as disclosed in the section of this proxy statement entitled "*Executive Compensation*." Stockholders are being asked to vote on the following advisory resolution:

"RESOLVED, that the stockholders advise that they approve the compensation of Arch Coal, Inc.'s named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission (which disclosure includes the Compensation Discussion and Analysis, the compensation tables, and any related material)."

The compensation of our named executive officers (NEOs) is designed to tie a substantial percentage of each NEO's compensation opportunity to the attainment of financial and other performance measures that, the Board believes, promote the creation of long-term stockholder value and position the Company for long-term success. As described more fully in the *Compensation Discussion and Analysis* (CD&A), the total mix of compensation that the Company offers its NEOs is designed to enable the Company to attract and maintain top talent while, at the same time, creating a close relationship between performance and compensation. The Personnel and Compensation Committee and the Board believe that the design of the program, and as a result the compensation awarded to NEOs under the current program, fulfills this objective.

Stockholders are urged to read the CD&A section of this proxy statement, which discusses in detail how our compensation policies and procedures implement our compensation philosophy.

Although the vote on this Proposal No. 2 is non-binding, the Board will review the voting results in connection with its ongoing evaluation of the Company's compensation program. The final decision on the compensation and benefits of our NEOs remains with the Board.

Recommendation of the Board

The Board recommends a vote "FOR" the following resolution at the Annual Meeting:

"RESOLVED, that the stockholders advise that they approve the compensation of Arch Coal, Inc.'s named executive officers, as disclosed pursuant to the compensation disclosure rules of the Securities and Exchange Commission (which disclosure includes the Compensation Discussion and Analysis, the compensation tables, and any related material)."

Table of Contents**RATIFICATION OF THE APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
(PROPOSAL NO. 3)**

Ernst & Young LLP was our independent registered public accounting firm for 2014. The Audit Committee has appointed Ernst & Young LLP as our independent registered public accounting firm for 2015. The Audit Committee and the Board are requesting that stockholders ratify this appointment. In the event the stockholders do not ratify the selection of Ernst & Young LLP, the Audit Committee will reconsider its selection. Even if the selection is ratified, the Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the fiscal year if the Audit Committee believes such a change would be in our best interests and the best interests of our stockholders. Representatives of Ernst & Young LLP are expected to be available at the Annual Meeting to make a statement if they desire to do so and to be available to respond to appropriate questions.

Fees Paid to Auditors

The following table sets forth the fees accrued or paid to Ernst & Young LLP, the Company's independent registered public accounting firm, for the years ended December 31, 2014 and December 31, 2013:

Service	Fee	
	2014	2013
Audit ⁽¹⁾	\$ 1,989,282	\$ 2,116,418
Audit-Related ⁽²⁾		377,233
Tax ⁽³⁾	14,500	24,391
All Other		

- (1) Audit fees include fees for professional services rendered by Ernst & Young LLP for the audits of our annual consolidated financial statements and report on internal control over financial reporting, the review procedures on the consolidated financial statements included in our Forms 10-Q, as well as the statutory audits of our international subsidiaries and other services related to Securities and Exchange Commission filings, including comfort letters and consents.
- (2) Audit-related fees include fees for the carve-out audits of a certain entity.
- (3) Tax fees consist of amounts billed for tax compliance matters.

The Audit Committee has adopted an audit and non-audit services pre-approval policy that requires the Audit Committee, or the chairman of the Audit Committee, to pre-approve services to be provided by our independent registered public accounting firm. The Audit Committee will consider whether the services to be provided by the independent registered public accounting firm are prohibited by the SEC's rules on auditor independence and whether the independent registered public accounting firm is best positioned to provide the most effective and efficient service. The Audit Committee is mindful of the relationship between fees for audit and non-audit services in deciding whether to pre-approve such services. The Audit Committee has delegated to the chairman of the Audit Committee pre-approval authority between committee meetings, and the chairman must report any pre-approval decisions to the committee at the next

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regularly scheduled committee meeting. All non-audit services performed by Ernst & Young LLP in 2014 and 2013 were pre-approved in accordance with the procedures established by the Audit Committee.

Recommendation of the Board

The Board recommends a vote "FOR" Proposal No. 3.

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**PROPOSAL TO GRANT TO THE BOARD DISCRETIONARY AUTHORITY TO APPROVE AN AMENDMENT TO THE RESTATED CERTIFICATE OF INCORPORATION TO EFFECT A REVERSE STOCK SPLIT OF THE COMPANY'S OUTSTANDING AND TREASURY COMMON STOCK AT AN EXCHANGE RATIO OF ONE FOR FIVE OR ONE FOR TEN, AS DETERMINED BY THE BOARD
(PROPOSAL NO. 4)**

The Company is asking stockholders to:

Authorize the Board to effect, in its discretion on or before April 22, 2016, a reverse stock split of the outstanding and treasury Common Stock of the Company at a reverse stock split ration of 1-for-5 or 1-for-10, as determined by the Board; and

Approve a corresponding amendment to the Company's Restated Certificate of Incorporation substantially in the form attached to this Proxy Statement as Appendix A (to be filed if the Board determines a reverse stock split ratio of 1-for-5) or Appendix B (to be filed if the Board determines a reverse stock split ratio of 1-for-10) to effect the reverse stock split, subject to the Board's authority to abandon such amendment in its discretion.

If this proposal is approved by our stockholders, the Board will be granted discretionary authority to amend the Company's Restated Certificate of Incorporation and take any other necessary actions to effect the reverse stock split at any time on or before April 22, 2016 and at an exact exchange ratio of either one for five or one for ten, as determined by the Board. The Board's decision whether or not (and when) to effect the reverse stock split, as well as the final reverse stock split ratio, will be based on a number of factors, including market conditions, existing and anticipated trading prices for our common stock and the continued listing requirements of the New York Stock Exchange ("NYSE"). The Board may determine in its discretion not to effect any reverse stock split and not to file any amendment to the Company's Restated Certificate of Incorporation. No further action on the part of stockholders will be required to either implement or abandon the reverse stock split. If the Board determines not to implement the reverse stock split on or before April 22, 2016, further stockholder approval would be required prior to the Company implementing any reverse stock split. In the event that the Board decides to effect a reverse stock split following stockholder approval of this proposal and file a related amendment to the Company's Restated Certificate of Incorporation, there will be no change in the authorized number of shares of Common Stock.

Purposes of the Proposed Reverse Stock Split

The Board believes that the reverse stock split would be beneficial for the following reasons:

NYSE Considerations. There are certain criteria for the continued listing of shares of common stock on the NYSE. For example, a listed company will be considered to be out of compliance with one of those continued listing standards and subject to delisting if the average closing price of its common stock is less than \$1.00 over a consecutive 30 trading-day period. The Company's Common Stock has closed below \$1.00 per share on several trading-days since late January.

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Appealing for Investors. Our financial advisors have indicated that an increase in the price per share of our Common Stock could make the Common Stock more attractive to a broader range of institutional and other investors. An increase in our per share price may increase the acceptability of our Common Stock to a number of long-term investors who may not find our shares attractive at their current prices because of (i) trading volatility often associated with stocks below certain prices, and/or (ii) certain internal guidelines or restrictions institutional investors may have on holding shares of stock below certain prices.

Transaction Costs. Investors may also be dissuaded from purchasing stocks below certain prices because the brokerage commissions, as a percentage of the total transaction value, tend to be higher for lower-priced stocks.

Certain Risks Related to the Proposed Reverse Stock Split

We cannot assure you that the reverse stock split would increase our stock price and have the desired effect of ensuring continued compliance with NYSE listing rules.

The Board expects that the reverse stock split, if implemented, will increase the market price of our Common Stock and that we will be able to maintain compliance with NYSE listing standards related to our average per share closing price. The effect of a reverse stock split on the market price of our Common Stock cannot be predicted with any certainty, however. The history of similar stock splits for companies in like circumstances is varied. It is possible that the per share price of our Common Stock after the reverse stock split would not rise in proportion to the reduction in the number of shares of our Common Stock outstanding following the reverse stock split. Likewise, the market price per share of our Common Stock following the reverse stock split may not exceed or remain in excess of \$1.00 per share for a sustained period of time, which may result in the Common Stock being less attractive to brokers and institutional and other long-term investors who do not trade in lower priced stocks. Even if the market price for our Common Stock following the implementation of the reverse stock split remains in excess of \$1.00 per share, we may face delisting as a result of not being in compliance with other NYSE listing standards in the future.

Our total market capitalization immediately after the reverse stock split may be lower than immediately before the reverse stock split.

There are numerous factors and contingencies that could affect our stock price following implementation of the reverse stock split, including the status of the market for our Common Stock at that time, our results of operations in future periods and general economic, market and industry conditions. Accordingly, the market price of our Common Stock may not be sustainable at the direct arithmetic result of the reverse stock split if the reverse stock split is implemented. If the market price of our Common Stock declines after the reverse stock split is implemented, our total market capitalization after the reverse stock split would be lower than before the reverse stock split.

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The reverse stock split may result in some stockholders owning "odd lots" that may be more difficult to sell or require greater transaction costs per share to sell.

If the reverse stock split is implemented, some stockholders consequently may own less than one hundred shares of Common Stock. A purchase or sale of less than one hundred shares, often referred to as an "odd lot" transaction, may result in incrementally higher trading costs through certain brokers than a transaction involving "round lots" in even multiples of one hundred shares. Therefore, those stockholders who own less than one hundred shares following the reverse stock split may be required to pay modestly higher transaction costs should they then determine to sell their shares of Common Stock.

The reverse stock split may decrease the liquidity of our Common Stock.

While the Board believes that a higher stock price may help generate additional investor interest, there can be no assurance that the reverse stock split would result in a per share price that will attract additional institutional investors or investment funds or that the resulting share price will satisfy the investing guidelines of any particular institutional investor or investment fund. As a result, the trading liquidity of our Common Stock may not improve as a result of the implementation of the reverse stock split. In addition, certain investors might consider the increased number of unissued authorized shares to have an anti-takeover effect under certain circumstances, which may make our Common Stock less desirable to those investors.

Impact of the Proposed Reverse Stock Split if Implemented

The reverse stock split would affect all of our stockholders uniformly and would not affect any stockholder's percentage ownership interest in the outstanding shares of Common Stock, or any stockholder's proportionate voting power based on outstanding shares of Common Stock, except to the extent that the reverse stock split could result in any of our stockholders receiving cash in lieu of a fractional share. As described below, stockholders otherwise entitled to fractional shares as a result of the reverse stock split would receive cash payments in lieu of such fractional shares. These cash payments will reduce the number of post-reverse stock split stockholders to the extent there are presently stockholders who would otherwise hold less than one share of Common Stock after the reverse stock split. In addition, because the total number of authorized shares of Common Stock would not be reduced, there would be an increased number of shares available to be issued upon approval by the Board, without action or vote of our stockholders, if the reverse stock split was implemented. The other principal effects of the reverse stock split will be that:

The number of issued and outstanding and treasury shares of Common Stock will be reduced proportionately based on the reverse stock split ratio of either 1-for-5 or 1-for-10;

The per share exercise price of all outstanding option awards will be increased proportionately and the number of shares of Common Stock issuable upon the exercise of all outstanding option awards and the vesting of all unvested stock-based awards (including restricted stock, restricted stock units and performance share units) will be reduced proportionately based on the reverse stock split ratio, in accordance with the terms of our equity-based compensation plans. These adjustments will result

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in approximately the same aggregate exercise price being required to be paid for all outstanding option awards upon exercise, although the aggregate number of shares issuable upon the exercise of such option awards will be reduced proportionately following the reverse stock split;

The number of shares reserved for issuance and any maximum number of shares with respect to which equity awards may be granted to any participant under our equity-based compensation plans will be reduced proportionately based on the reverse stock split ratio, in accordance with the terms of our equity-based compensation plans;

The reverse stock split will likely increase the number of stockholders who own odd lots (less than 100 shares). Stockholders who hold odd lots may experience an increase in the cost of selling their shares and may have greater difficulty in executing sales; and

The increase in the number of authorized but unissued and unreserved shares of Common Stock may have an "anti-takeover effect" by permitting the issuance of a greater number of shares of Common Stock to purchasers who might oppose a hostile takeover bid or oppose any efforts to amend or repeal certain provisions of our Restated Certificate of Incorporation or our Bylaws. The increased number of available authorized but unissued shares as a result of the reverse stock split potentially could give our management more flexibility to resist or impede a third-party takeover bid that provides an above-market premium that is favored by a majority of the independent stockholders. Any such anti-takeover effect of a reverse stock split would be in addition to existing provisions set forth in our Restated Certificate of Incorporation and our Bylaws which also may have an anti-takeover effects.

The table below contains approximate information relating to our Common Stock on March 14, 2015, the record date for the Annual Meeting, and under each of the proposed reverse stock splits, in each case based on information as of March 14, 2015:

	Number of Shares Authorized	Approximate Number of Shares Outstanding	Approximate Number of Shares Reserved for Issuance Pursuant to Equity Compensation Plans	Approximate Number of Unreserved Shares
Pre-split	260,000,000	212,693,085	13,874,378	33,432,537
Following 1-for-5 split	260,000,000	42,538,617	2,774,875	214,686,508
Following 1-for-10 split	260,000,000	21,269,308	1,387,437	237,343,255

Our Common Stock is currently registered under Section 12(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and we are subject to the periodic and other reporting requirements of the Exchange Act. The reverse stock split would not impact the registration of our Common Stock under the Exchange Act. Although the number of outstanding shares of Common Stock would decrease following the proposed reverse stock split, the Board does not intend for the reverse stock split to be the first step in a "going private transaction" within the meaning of Rule 13e-3 of the Securities Exchange Act of 1934. Following the implementation of the reverse stock split, we anticipate that our Common Stock would continue to be reported on the NYSE under the symbol "ACI".

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Fractional Shares

Stockholders will not receive fractional post-reverse stock split shares in connection with the reverse stock split. Instead, we will pay to each registered stockholder, in cash, the value of any fractional share interest in Common Stock arising from the reverse stock split. If the reverse stock split is implemented, registered stockholders who hold their shares of Common Stock in certificate form will receive cash payment for their fractional interest, if applicable, following the surrender of their pre-reverse stock split stock certificates for post-reverse stock split shares. The cash payment will equal the fraction of shares to which the stockholder would otherwise be entitled, multiplied by the volume weighted average price of Common Stock as reported on the New York Stock Exchange Composite Tape on the effective date of the reverse stock split. This cash payment may be subject to applicable U.S. federal, state and local income tax.

No transaction costs will be assessed on stockholders for the cash payment. Stockholders will not be entitled to receive interest for the period of time between the effective date of the reverse stock split and the date payment is made for their fractional share interest in Common Stock. You should also be aware that, under the escheat laws of certain jurisdictions, sums due for fractional interests that are not timely claimed after the funds are made available may be required to be paid to the designated agent for each such jurisdiction. Thereafter, stockholders otherwise entitled to receive such funds may have to obtain the funds directly from the state to which they were paid.

If you believe that you may not hold sufficient shares of Common Stock at the effective date of the reverse stock split to receive at least one share in the reverse stock split and you want to continue to hold Common Stock after the split, you may do so by either:

purchasing a sufficient number of shares of Common Stock; or

if you have shares of Common Stock in more than one account, consolidating your accounts,

so that in each case you hold a number of shares of Common Stock in your account prior to the reverse stock split that would entitle you to receive at least one share of Common Stock on a post-reverse stock split basis. Shares of Common Stock held in registered form (that is, stock held by you in your own name in our stock register records maintained by our transfer agent) and stock held in "street name" (that is, stock held by you through a bank, broker or other nominee) for the same investor will be considered held in separate accounts and will not be aggregated when effecting the reverse stock split.

Effect on Beneficial Stockholders

Upon the reverse stock split, we intend to treat stockholders holding shares of Common Stock in "street name" (that is, held through a bank, broker or other nominee) in the same manner as registered stockholders whose shares of Common Stock are registered in their names. Banks, brokers or other nominees will be instructed to effect the reverse stock split for their beneficial holders holding shares of Common Stock in "street name;" however, these banks, brokers or other nominees may apply their own specific procedures for processing the reverse stock split. If you hold your shares of Common Stock with a bank, broker or other nominee, and if you have any questions in this regard, we encourage you to contact your nominee.

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Effect on "Book-Entry" Stockholders

The Company's registered stockholders may hold some or all of their shares electronically in book-entry form. These stockholders will not have stock certificates evidencing their ownership of Common Stock. They are, however, provided with a statement reflecting the number of shares of Common Stock registered in their accounts.

If you hold registered shares of Common Stock in a book-entry form, you do not need to take any action to receive your post-reverse stock split shares of Common Stock in registered book-entry form or your cash payment in lieu of any fractional interest, if applicable.

If you are entitled to post-reverse stock split shares of Common Stock, a transaction statement will automatically be sent to your address of record as soon as practicable after the effective date of the reverse stock split indicating the number of shares of Common Stock you hold.

If you are entitled to a payment in lieu of any fractional interest, a check will be mailed to you at your registered address as soon as practicable after the effective date of the reverse stock split. By signing and cashing this check, you will warrant that you owned the shares of Common Stock for which you received a cash payment. See "Fractional Shares" above for additional information.

Effect on Certificated Shares

Some stockholders hold their shares of Common Stock in certificate form or a combination of certificate and book-entry form. If any of your shares of Common Stock are held in certificate form, you will receive a transmittal letter from the Company's transfer agent as soon as practicable after the effective date of the reverse stock split. The transmittal letter will be accompanied by instructions specifying how you can exchange your certificate representing the pre-reverse stock split shares of Common Stock for a statement of holding, together with any payment of cash in lieu of fractional shares to which you are entitled. Unless you specifically request new certificates your new shares will be automatically issued in book entry format.

Beginning on the effective date of the reverse stock split, each certificate representing pre-reverse stock split shares will be deemed for all corporate purposes to evidence ownership of post-reverse stock split shares. If you are entitled to a payment in lieu of any fractional share interest, payment will be made as described above under "Fractional Shares."

STOCKHOLDERS SHOULD NOT DESTROY ANY SHARE CERTIFICATE(S) AND SHOULD NOT SUBMIT ANY CERTIFICATE(S) UNTIL THEY RECEIVE A TRANSMITTAL FORM FROM OUR EXCHANGE AGENT AND ARE REQUESTED TO DO SO.

Accounting Consequences

The par value per share of Common Stock will remain unchanged after the reverse stock split. As a result, on the effective date of the reverse stock split, the stated capital on the Company's balance sheet attributable to Common Stock will be reduced proportionately based on the reverse stock split ratio, from

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its present amount, and the additional paid-in capital account shall be credited with the amount by which the stated capital is reduced. The shares of Common Stock held in treasury will also be reduced proportionately based on the reverse stock split ratio. After the reverse stock split, net income, loss per share and other reported per share amounts will be increased because there will be fewer shares of Common Stock outstanding. In future financial statements, net income, loss per share and other reported per share amounts for periods ending before the reverse stock split would be recast to give retroactive effect to the reverse stock split. As described above under "Impact of the Proposed Reverse Stock Split If Implemented," the per share exercise price of outstanding option awards would increase proportionately, and the number of shares of Common Stock issuable upon the exercise of outstanding options and upon the vesting of unvested stock unit awards would decrease proportionately, in each case based on the reverse stock split ratio. The Company does not anticipate that any other accounting consequences would arise as a result of the reverse stock split.

No Appraisal Rights

Stockholders will not have dissenters' or appraisal rights under Delaware corporate law or under the Company's Restated Certificate of Incorporation in connection with the proposed reverse stock split.

Procedure for Effecting Reverse Stock Split

If the stockholders approve the proposal and the Board decides to implement the reverse stock split, the reverse stock split will become effective at the time and on the date of the filing of, or at such later time as is specified in, the Certificate of Amendment to the Company's Restated Certificate of Incorporation, which is referred to as the effective date of the reverse stock split. Beginning immediately upon effectiveness of the reverse stock split, each certificate representing pre-reverse stock split shares of Common Stock will be deemed for all corporate purposes to evidence ownership of post-reverse stock split shares of Common Stock.

Federal Income Tax Consequences of the Reverse Stock Split

The following is a discussion of certain material U.S. federal income tax consequences of the reverse stock split. This discussion is included for general information purposes only and does not purport to address all aspects of U.S. federal income tax law that may be relevant to stockholders in light of their particular circumstances. This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), and current Treasury regulations, administrative rulings and court decisions, all of which are subject to change, possibly on a retroactive basis, and any such change could affect the continuing validity of this discussion.

All stockholders are urged to consult with their own tax advisors with respect to the tax consequences of the reverse stock split. This discussion does not address the tax consequences to stockholders that are subject to special tax rules, such as banks, insurance companies, regulated investment companies, personal holding companies, foreign entities, partnerships, nonresident alien individuals, broker-dealers and

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tax-exempt entities. This summary also assumes that the pre-reverse stock split shares were, and the post-reverse stock split shares will be, held as a "capital asset," as defined in Section 1221 of the Code.

As used herein, the term "U.S. holder" means a holder that is, for U.S. federal income tax purposes:

a citizen or resident of the United States;

a corporation or other entity taxed as a corporation created or organized in or under the laws of the United States or any political subdivision thereof;

an estate the income of which is subject to U.S. federal income tax regardless of its source; or

a trust (A) if a U.S. court is able to exercise primary supervision over the administration of the trust and one or more "U.S. persons" (as defined in the Code) have the authority to control all substantial decisions of the trust or (B) that has a valid election in effect to be treated as a U.S. person.

Other than the cash payments for fractional shares discussed above, no gain or loss should be recognized by a stockholder upon the exchange of pre-reverse stock split shares for post-reverse stock split shares. The aggregate tax basis of the post-reverse stock split shares will be the same as the aggregate tax basis of the pre-reverse stock split shares exchanged in the reverse stock split, reduced by any amount allocable to a fractional share for which cash is received. A stockholder's holding period in the post-reverse stock split shares will include the period during which the stockholder held the pre-reverse stock split shares exchanged in the reverse stock split.

In general, the receipt of cash by a U.S. holder instead of a fractional share will result in a taxable gain or loss to such holder for U.S. federal income tax purposes. The amount of the taxable gain or loss to the U.S. holder will be determined based upon the difference between the amount of cash received by such holder and the portion of the basis of the pre-reverse stock split shares allocable to such fractional interest. The gain or loss recognized will constitute capital gain or loss and will constitute long-term capital gain or loss if the holder's holding period is greater than one year as of the effective date of the reverse stock split.

Vote Required for Approval

The affirmative vote of holders of a majority of the outstanding shares of Common Stock entitled to vote at the Annual Meeting is required to approve the Company's proposal to (i) authorize the Board to effect the reverse stock split and (ii) approve the corresponding amendment to the Restated Certificate of Incorporation, subject to the Board's authority to abandon such amendment in its discretion. Abstentions and broker non-votes will have the same effect as votes against this proposal.

Recommendation of the Board

The Board recommends a vote "FOR" Proposal No. 4.

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**STOCKHOLDER PROPOSAL REGARDING PROXY ACCESS PROVISION
(PROPOSAL NO. 5)**

The Company has received notice of the intention of the Comptroller of the City of New York to present the following proposal for voting at the Annual Meeting. The text of the stockholder proposal and supporting statements appear exactly as received, other than minor formatting changes, by our Company. All statements contained in a stockholder proposal and supporting statement are the sole responsibility of the proponent of that stockholder proposal. Our Company will provide the proponent's address and number of shares the proponent beneficially owns upon oral or written request made to the Secretary of the Company. The Board does not support the adoption of this proposal and asks stockholders to consider management's response following the proponent's statement. The Board Recommends You Vote **AGAINST** This Proposal.

Stockholder Proposal

Shareowner Statement

RESOLVED: Shareholders of Arch Coal, Inc. (the "Company") ask the board of directors (the "Board") to adopt, and present for shareholder approval, a "proxy access" bylaw. Such a bylaw shall require the Company to include in proxy materials prepared for a shareholder meeting at which directors are to be elected the name, Disclosure and Statement (as defined herein) of any person nominated for election to the board by a shareholder or group (the "Nominator") that meets the criteria established below. The Company shall allow shareholders to vote on such nominee on the Company's proxy card.

The number of shareholder-nominated candidates appearing in proxy materials shall not exceed one quarter of the directors then serving. This bylaw, which shall supplement existing rights under Company bylaws, should provide that a Nominator must:

- (a) have beneficially owned 3% or more of the Company's outstanding common stock continuously for at least three years before submitting the nomination;
- (b) give the Company, within the time period identified in its bylaws, written notice of the information required by the bylaws and any Securities and Exchange Commission rules about (i) the nominee, including consent to being named in the proxy materials and to serving as director if elected; and (ii) the Nominator, including proof it owns the required shares (the "Disclosure"); and
- (c) certify that (i) it will assume liability stemming from any legal or regulatory violation arising out of the Nominator's communications with the Company shareholders, including the Disclosure and Statement; (ii) it will comply with all applicable laws and regulations if it uses soliciting material other than the Company's proxy materials; and (c) to the best of its knowledge, the required shares were acquired in the ordinary course of business and not to change or influence control at the Company.

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The Nominator may submit with the Disclosure a statement not exceeding 500 words in support of the nominee (the "Statement"). The Board shall adopt procedures for promptly resolving disputes over whether notice of a nomination was timely, whether the Disclosure and Statement satisfy the bylaw and applicable federal regulations, and the priority to be given to multiple nominations exceeding the one-quarter limit.

Supporting Statement

We believe proxy access is a fundamental shareholder right that will make directors more accountable and contribute to increased shareholder value. The CFA Institute's 2014 assessment of pertinent academic studies and the use of proxy access in other markets similarly concluded that proxy access:

Would "benefit both the markets and corporate boardrooms, with little cost or disruption."

Has the potential to raise overall US market capitalization by up to \$140.3 billion if adopted market-wide.
(<http://www.cfapubs.org/doi/pdf/10.2469/ccb.v2014.n9.1>)

The proposed bylaw terms enjoy strong investor support – votes for similar shareholder proposals averaged 55% from 2012 through September 2014 – and similar bylaws have been adopted by companies of various sizes across industries, including Chesapeake Energy, Hewlett-Packard, Western Union and Verizon.

We urge shareholders to vote FOR this proposal.

Statement in Opposition to the Proposal:

The Board Recommends You Vote AGAINST This Proposal For The Following Reasons:

The Board believes that the adoption of the proponent's proxy access proposal is unnecessary and not in the best interests of stockholders. The Company's stockholders already have an effective voice in director elections and accountability.

Our existing corporate governance structures ensure that the Board is accountable to stockholders, and stockholders already have several avenues to voice their opinions to, and influence, the Board. For example, the Board has recently adopted an amendment to the Company's bylaws to incorporate a proxy access provision that is similar to the proxy access provision that is proposed by the proponent, but tailored to be appropriate in light of the Company's circumstances. Under the current bylaws, any stockholder, or group of stockholders up to 20 stockholders, that have owned 5% or more of our outstanding common shares continuously for at least three years may elect to include its director nominees in our annual meeting proxy materials. The maximum number of stockholder-nominated candidates allowed to appear in the Company's proxy materials per annual meeting is limited to 20% of the number of directors serving on the Board as of the date on which notice of such stockholder nominations are due. If the 20% calculation does not result in a whole number, the maximum number of stockholder-nominated candidates would be the closest whole number below 20%.

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Prior to adopting the Company's proxy access provision, the Company's management and Board considered the views of a wide range of our stockholders regarding proxy access in general and, more specifically, which proxy access terms would be most appropriate in the Company's circumstances. During various discussions, a number of stockholders expressed their beliefs that proxy access rights would increase accountability of directors to stockholders and would give stockholders a more meaningful voice in electing directors. While some of those supporters of proxy access believed that a 3% ownership threshold for proxy access matters across all companies, regardless of market capitalization was appropriate, a number of other supporters believed that either a 5% ownership threshold or a threshold determined on a case-by-case basis, considering the company's particular circumstances, was more appropriate.

In addition, there were a number of opponents of proxy access that believed that the implementation of any proxy access provision could undermine the role of the Company's independent Nominating and Corporate Governance Committee, and could lead to, among other things, an inexperienced, fragmented and less effective Board with directors who may pursue special interests not shared by all or any large portion of our stockholders.

Based on those discussions and its deliberations on the topic, the Board concluded that the best course of action for the Company and our stockholders with respect to proxy access was to establish thresholds that were set based on the Company's particular circumstances, and the Board determined that a 5% ownership threshold, with aggregation limited to 20 stockholders, was most appropriate for the Company. Given the size of the Company and its market capitalization, a 5% threshold would require an appropriate, meaningful ownership interest. In addition, a three-year holding period ensures that stockholders using the proxy access provisions are long-term stockholders in the Company. The Board considered that many other companies which have adopted proxy access provisions containing lower thresholds, including those that the proponent cites, have much larger market capitalizations than the Company and thus can set proxy access thresholds at lower levels without compromising these important concerns. In addition, the Board considered a number of aggregation possibilities; including not permitting any aggregation and permitting aggregation without any limit, and felt that a limited aggregation was appropriate. The Board noted that it is not alone in incorporating a limited aggregation policy, given that the proxy access provisions at Hewlett-Packard Company cited by the proponent, limit aggregation to 20 stockholders, and the proxy access provisions at CenturyLink, Inc., which was supported by over 92% of their voting stockholders, limit aggregation to 10 stockholders.

In addition to the proxy access provisions in the Company's bylaws, there are a number of other key protections currently in place for stockholders of the Company, including:

Any stockholder may nominate directors pursuant to the Company's bylaws and solicit proxies for director nominees under federal proxy rules;

Any stockholder may submit proposals for consideration at the Company's annual meeting and for inclusion in the Company's proxy statement, subject to certain conditions and SEC Rules;

Each stockholder may express their views on our executive compensation program through an annual "say-on-pay" vote;

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We have a director resignation policy, requiring directors to offer to resign if they fail to receive the requisite number of votes to be elected in an uncontested election;

Ten of our twelve directors are independent under NYSE rules;

Stockholders have the right to propose director nominees to the Nominating and Corporate Governance Committee; and

Stockholders have the right to communicate directly with the Board or with the independent directors serving on the Board.

Based on the foregoing, the Board recommends a vote AGAINST the proponent's proposal.

OTHER MATTERS

The Company knows of no other matters to be submitted to the stockholders at the Annual Meeting. If any other matters properly come before the stockholders at the Annual Meeting, it is the intention of the persons named on the proxy to vote the shares represented thereby on such matters in accordance with their best judgment.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes the material elements of compensation paid to each of the following named executive officers of Arch Coal, Inc. (the "named executive officers" or "NEOs"), for fiscal year 2014:

Name	Title	*Years of Service
John W. Eaves	President and Chief Executive Officer	32
John T. Drexler	Senior Vice President and Chief Financial Officer	17
Paul A. Lang	Executive Vice President and Chief Operating Officer	30
Kenneth D. Cochran	Senior Vice President Operations	9
Robert G. Jones	Senior Vice President Law, General Counsel and Secretary	23

* Includes the following years of service attributable to employment with one or more of our predecessor entities: Mr. Eaves 15 years, Mr. Lang 13 years, and Mr. Jones 6 years.

Highlights of Compensation Practices

We employ the following compensation practices, which highlight the Company's continued efforts to further align the interests of our named executive officers with the interests of our stockholders.

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Elimination of stock options. In response to stockholder input, in 2014, the Company has stopped awarding stock options as a component of our long-term incentive compensation program.

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Addition of performance shares tied to operational measures in replacement of stock options. The Company has replaced stock options with performance shares in an effort to create a more performance-oriented compensation program. Performance targets for these awards are tied to operational cash flow, with total payouts modified based on total stockholder return relative to our peer companies.

Pay for performance. A significant portion of compensation is tied to key performance-based metrics that are disclosed in this proxy statement.

Mix of short-term and long-term incentives. Our incentive program has an appropriate mix of annual and long-term incentives intended to reward our NEOs for driving superior operating and financial results over a one-year timeframe, and to reward achievement of longer-term goals.

Award caps. There are maximum limits on the annual and long-term performance based awards. For the 2015 annual incentive compensation program year, the Company has reduced the maximum payout level for safety and environmental compliance measures from 225% to 200%.

Share ownership requirements. The Company has stock ownership requirements in place for our senior officers and directors. In 2014, the Company revised its stock ownership requirements for both directors and senior officers, and added a provision that requires them to hold a minimum of 67% of the net shares resulting from any future vesting of restricted stock, restricted stock units or performance shares if the guideline is not met.

Independent compensation consulting firm. The Personnel and Compensation Committee (the "Committee") utilizes an independent compensation consulting firm, which provides no other services to the Company.

Clawback policy. In February 2015, the Board adopted a clawback policy. Under this policy, the Committee may reduce or cancel, or require the recovery of, an executive officer's performance-based compensation if the committee determines that such award should be adjusted because that executive officer has engaged in intentional misconduct that has led to a material restatement of the Company's financial statements.

Anti-hedging and anti-pledging policy. The Company has a policy prohibiting directors and senior officers from engaging in any action designed to hedge or offset any change in the value of the Company's stock and from pledging any Company securities.

Overview

Our compensation programs are designed to attract, motivate and retain highly talented executives. We believe that our success in creating long-term value for our stockholders depends on our ability to closely align the interests of our named executive officers with the interests of our stockholders. We encourage sustained long-term profitability and increased stockholder value by linking a significant portion of each named executive officer's compensation to our achievement of financial and operating performance, which are not guaranteed. We use performance-based equity awards and other mechanisms to align the long-term

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interests of our named executive officers with those of our stockholders. By utilizing this approach, in down market conditions, like we have been facing, our executives typically realize lower total compensation than in more favorable market conditions.

The type and amount of compensation for each NEO is determined after considering a variety of factors, including the executive's position and level of responsibility within our organization, comparative market data and other external market-based factors. The Committee uses this information when establishing compensation in order to achieve a comprehensive package that emphasizes pay-for-performance and is competitive in the marketplace. For the 2014 fiscal year, the pay mix at target for the CEO and other NEOs is displayed below.

(1) Average of the Named Executive Officers, excluding the Chief Executive Officer.

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The components of the 2014 fiscal year compensation program for the NEOs are:

Component	Key Features	Objectives
	<i>Direct Compensation</i>	
Base Pay	Fixed annual cash amount, paid at regular intervals	Provides a regular source of income at competitive levels.
Annual Incentive Compensation Program	Performance-based cash compensation opportunity tied to annual goals of Adjusted EBITDA and EPS, safety and environmental measures	Financial goals focus NEOs on achieving key annual financial goals and objectives based on budgeted expectations for the year. Safety and environmental measures focus NEOs on important performance measures.
Long-Term Incentive Program	Long-term incentive program opportunities delivered through a mix of performance shares (35%), performance units (30%) and RSUs (35%)	Performance shares have financial performance measures, motivating NEOs to achieve long-term financial goals that are aimed at increasing stockholder value. Performance units are tied to safety and environmental goals, and are aimed at focusing efforts on key long-term performance measures. RSUs have timed-based vesting, providing a direct link to stockholder value and encouraging retention.
	<i>Other Compensation</i>	
Benefits and Perquisites	Standard range of medical, dental, life insurance, disability and retirement plans available to other employees, as well as limited perquisites and personal benefits described on page 57	Provide market-competitive level of support in the event of injury, illness and retirement. Limited perquisites are provided to address unique situations or expectations for our executives.
	No tax gross-ups on perquisites	

Pay-for-Performance

A key feature of our overall compensation program is that a significant amount of the total pay opportunity for each NEO is designed to be based on the Company's performance. By tying compensation to performance levels, we feel that our executive compensation program is aligned with the interests of our stockholders. In reviewing our realized pay/performance alignment, we compare our total stockholder return (TSR) and operating income results to our peer group's results to determine a relative percentile rank for each performance indicator. We then combine the rankings to develop a composite performance ranking (the rankings for operating income results and TSR are weighted equally). Then we determine the total realizable compensation (TRC) for our Chief Executive Officer. Total realizable compensation includes salary, bonuses paid, and equity awards valued based on the stock price at the end of the performance period (including restricted stock awards granted during the period reviewed, the value of stock options

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granted during the period reviewed and performance share payouts for cycles ended during the performance period reviewed).

The following charts illustrate the relative degree of alignment (with a corridor of plus or minus 25% around the median) to the Company's peer group for the three years ending December 31, 2013, similar to analyses used by proxy advisory firms to evaluate CEO realized pay levels relative to key company performance measures. The first chart shows the relative degree of alignment between TRC and TSR, while the second chart shows relative degree of alignment between TRC and a combination of TSR and operating income. In each chart the symbol representing the Company is circled. Based on this analysis, realizable pay for the CEO is within alignment with actual performance for the 2011-2013 period for both TSR performance and a combination of TSR and operating income performance when comparing the Company's performance with the performance of the Company's peer group.

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Our Compensation Process

The Committee uses current compensation levels, individual and Company performance, long-term career goals, future leadership potential and succession planning, among other factors, in determining appropriate compensation levels for our NEOs. The Committee does not use a formula to weight these factors, but instead uses these factors to provide context within which to assess the significance of comparative market data and to differentiate the level of compensation among our NEOs.

After the end of the performance period to which a particular incentive award relates, the Committee reviews our performance relative to the applicable performance targets and recommends payouts based on that performance. The Committee generally retains discretion to recommend payouts that are above or below actual performance levels for the applicable performance period. However, with respect to awards intended to qualify as performance-based compensation under Section 162(m) of the Code, the Committee retains only the discretion to reduce award payouts. For purposes of determining the amount of a payout to recommend, the Committee may also consider infrequent or non-recurring items that are not reflective of ongoing operations or the effects of major corporate transactions or other items that the Committee determines, in its judgment, significantly distort the comparability of our actual performance against the performance targets.

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Annually, the Committee reviews the design of our named executive officer compensation program, including whether the risks arising from our compensation policies and practices are reasonably likely to have a material adverse effect on us. In doing so, the Committee assesses whether compensation programs used in prior years have successfully achieved our compensation objectives. The Committee also considers the extent to which our compensation program is designed to achieve our long-term financial and operating goals. The Committee has retained the independent compensation consulting firm listed below under "Role of Compensation Consultants" to help analyze certain comparative market data. Certain members of management participate in this process by assembling and summarizing data used by the Committee. The Committee and its compensation consultant reviewed our compensation policies and practices, and the Committee has determined that the risks arising from our compensation policies and practices are not reasonably likely to have a material adverse effect on the Company. In 2014, the Company adopted the practice of providing Committee members with "tally sheets" that summarize the past and present values of each component of each NEO's total compensation. This tool assists Committee members in the evaluation and approval of changes to compensation.

Role of Compensation Consultants

During 2014, the Committee retained Meridian Compensation Partners, LLC ("Meridian") as an independent compensation consulting firm to provide the Committee advice on executive compensation matters. Meridian assisted the Committee in the development of a compensation peer group, which is described in more detail below. Meridian also advised the Committee on competitive compensation practices, mix of compensation elements and comparative market data, which the Committee considered in addressing and determining the appropriate levels of compensation for each NEO relative to the marketplace.

The Committee has reviewed the independence of Meridian and has determined that Meridian has no conflicts of interest. In particular, Meridian does not provide any other services to the Company. The Committee has sole authority to retain or replace Meridian in its role as its consultant. The Committee regularly reviews the performance and independence of Meridian, as well as fees paid. A representative of Meridian attends committee meetings as requested to serve as a resource on compensation matters. In order to encourage independent review and discussion of compensation matters, the Committee has the authority to, and does from time to time, meet with Meridian in executive session.

Role of Management

Our Chief Executive Officer and our Vice President of Human Resources receive compensation peer group information from our compensation consultant, and then provide the Committee with compensation recommendations for our NEOs, other than the Chief Executive Officer, including base salary, annual cash incentive opportunity and long-term incentive opportunities. Management provides a current market value for each proposed element of compensation and for the total target value, as well as the median and other select percentile market values for the NEO's peers. Our Chief Executive Officer does not recommend his own base salary or target or actual payout amounts under our annual or long-term incentive awards.

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Annually, the Committee reviews the performance of our Chief Executive Officer and makes recommendations to the Board regarding his compensation. In doing so, the Committee uses information provided by our compensation consultant and certain historical financial and operating performance data provided by management. The Committee believes that the compensation opportunities granted to our Chief Executive Officer, while higher in the aggregate than compensation granted to our other executives, are appropriate taking into consideration our Chief Executive Officer's overall leadership responsibilities.

Compensation Peer Group

Prior to 2013, the Committee had traditionally used two peer groups, a Coal/Mining Peer Group and an Energy Peer Group, together with general industry data, in benchmarking the Company's compensation program. Due to the acquisitions of International Coal Group, Inc. and Massey Energy, the bankruptcy of Patriot Coal Corp., and the change in the Company's revenues compared to the historical Coal/Mining Peer Group peers due to the Company's acquisition of International Coal Group, Inc., the Committee decided against using two different peer groups, and approved a new single peer group for the 2013 calendar year compensation.

During the process of establishing this peer group, the Committee looked not only at market capitalization and revenues, but also on other factors such as geographic location, industry, and whether the Company has historically competed with a company in attracting talent. As one example, a company such as Peabody Energy Corporation (Peabody) may be outside a "target range" of revenues and/or market capitalization, but the Committee feels strongly in including Peabody in its peer group because (i) Peabody is one of the Company's chief competitors, (ii) Peabody's headquarters is also located in St. Louis, Missouri, and (iii) the Company routinely competes with Peabody in attracting, and retaining, talent. The peer group was designed such that most of the peer companies had revenues between 0.5X and 2X the Company's revenues at the time the group was approved.

In establishing a peer group for 2014 compensation matters, the Committee decided to keep the same peer group as the one used in 2013 in order to maintain some consistency in evaluating competitive compensation practices.

Air Products & Chemicals, Inc.	Denbury Resources Inc.	Pioneer Natural Resource Corp.
Alpha Natural Resources, Inc.	DTE Energy Company	Sempra Energy
Ameren Corporation	Eastman Chemical Company	Southern Copper Corp.
Barrick Gold Corporation	EOG Resources	Southwestern Energy Corp.
Cameron International Corporation	Martin Marietta Materials	Spectra Energy Corp.
Cliffs Natural Resources, Inc.	Newmont Mining Corporation	Vulcan Materials Company
Cloud Peak Energy, Inc.	Noble Energy, Inc.	Walter Energy, Inc.
CONSOL Energy Inc.	Peabody Energy Corporation	Williams Companies Inc.

When evaluating benchmark data for these peer companies, the median market data is applied to each individual pay component in addition to a total compensation analysis. In addition, general industry compensation data is also reviewed by the Committee to provide an additional reference point. This data is

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based on a broad spectrum of public companies (excluding financial services and retail companies) that had median revenues similar to the Company.

The Committee assesses the appropriateness of the peer groups used to benchmark our compensation programs on an annual basis and adds or subtracts members of the peer groups as appropriate.

Evaluation of Stockholder "Say on Pay" Vote Results

In recent years, the Company has been active in discussing our compensation programs and arrangements with various stakeholders. When establishing or modifying our compensation programs and arrangements for 2014, the Committee took into account both the feedback from these discussions as well as the results of the stockholder advisory vote on executive compensation, or "say on pay" vote, which occurred at our annual meeting in 2014. In that vote, approximately 72% of the votes cast approved our compensation programs and policies. As a result of those discussions, and in light of the results from our annual meeting in 2014, the Committee made the following changes to our compensation program:

The Company has stopped awarding stock options as a component of the long-term incentive program;

The Company replaced stock options with performance shares that have payouts tied to operational cash flow and total stockholder return metrics in an effort to create a more performance-oriented compensation program;

Beginning with the 2015 annual incentive compensation program year, the maximum payout levels for both safety and environmental compliance measures have been reduced from 225% to 200%;

In February 2015, the Company adopted a clawback policy; and

The Company has revised the Company's stock ownership guidelines for the senior officers and directors and added retention requirements if these guidelines are not met.

Elements of Our Compensation Program

The Committee believes that our named executive officers, together with our other executives who have an ability to influence the achievement of our financial and operating objectives, should have a higher percentage of total compensation that is variable and, therefore, subject to greater risk. This provides closer alignment between those executive officers' total compensation with the short- and long-term interests of other stakeholders.

In order to achieve the compensation objectives established by the Committee, the Company uses the following compensation elements:

Base salary;

Short-term incentive opportunities (the Annual Incentive Compensation Program);

Long-term incentive opportunities (the Long-Term Incentive Program); and

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Certain other limited perquisites and benefits.

In general, as the position and amount of responsibility for an executive increase, a greater percentage of that executive's total compensation will be variable. Executives with the highest level and amount of responsibility generally have the lowest percentage of their total compensation fixed as base salary and the highest percentage of their total compensation dependent upon our performance, as reflected in short- or long-term incentive awards.

The following table shows the allocation of total target compensation for each NEO for each of the last three years:

	% of Target 2012 Compensation ⁽¹⁾			% of Target 2013 Compensation ⁽¹⁾			% of Target 2014 Compensation ⁽¹⁾		
	Performance-			Performance-			Performance-		
	Fixed Base Salary	Annual	Long- Term	Fixed Base Salary	Annual	Long- Term	Fixed Base Salary	Annual	Long- Term
John W. Eaves	18%	18%	64%	18%	18%	64%	18%	18%	64%
John T. Drexler	22%	18%	60%	22%	18%	60%	22%	18%	60%
Paul A. Lang	21%	17%	62%	21%	17%	62%	21%	17%	62%
Kenneth D. Cochran				24%	15%	61%	24%	15%	61%
Robert G. Jones	24%	15%	61%	24%	15%	61%	24%	15%	61%

(1) For purposes of determining total compensation, we have included base salary, target annual cash incentives and the value of target long-term incentive awards. We have not included other compensation elements such as perquisites or changes in pension value.

(2) In determining the percentages shown above, the annual cash incentives and the long-term incentive awards are assumed to be paid at target levels.

Base Salary

We provide each named executive officer with an annual base salary. Base salaries for our named executive officers depend on each executive's experience and scope of responsibilities as well as the median market data for comparable job positions at companies within our peer group. We increase base salary primarily in response to notable achievements or for additions in scope of responsibilities. In addition, we may increase base salary to remain competitive in the marketplace.

At the beginning of 2014, upon the recommendation of the Committee, the Board approved increases to annual base salaries for our named executive officers. As part of the Committee's annual compensation review process, the Committee determined that the base salaries for our NEOs required adjustment to align with competitive market data. The Committee believed that, even though the coal industry is currently in a depressed market, it is important to offer competitive base salaries in order to attract and retain executive

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talents. The Committee determined that these increases were appropriate in order to align our NEO base salaries with those offered by our peers and to assist in the retention of these individuals.

Name	2013 Salary	2014 Salary	% Increase
John W. Eaves	\$ 850,000	\$ 975,000	14.7%
John T. Drexler	\$ 450,000	\$ 525,000	16.7%
Paul A. Lang	\$ 650,000	\$ 675,000	3.8%
Kenneth D. Cochran	\$ 410,000	\$ 450,000	9.8%
Robert G. Jones	\$ 365,000	\$ 425,000	16.4%

Annual Incentive Compensation Program*Overview*

The Committee designed the Annual Incentive Compensation Program to focus our organization on meeting and exceeding certain annual financial and operating objectives by rewarding those key employees with the greatest ability to influence our results. Early each year, the Committee considers whether annual cash incentives should be awarded based on performance from the prior year. If the Committee determines that the grant of annual cash incentive awards to one or more individuals is appropriate under the circumstances, the Committee recommends to the Board which employees should be eligible to receive an award for the year and the recommended incentive payout amounts. Annual cash awards contain various incentive levels based on the participant's accountability and impact on our performance, with target opportunities established as a percentage of base salary based on the median market data.

The following table shows the target opportunities available to the NEOs as a percentage of their base salaries and the actual payouts as a percentage of their base salaries each of the last three years:

Name	2012		2013		2014	
	Target as % of Base Salary	Actual Payout as % of Base Salary	Target as % of Base Salary	Actual Payout as % of Base Salary	Target as % of Base Salary	Actual Payout as % of Base Salary
John W. Eaves	98%	33%	100%	87%	100%	165%
John T. Drexler	80%	27%	80%	69%	80%	132%
Paul A. Lang	84%	28%	85%	74%	85%	140%
Kenneth D. Cochran			60%	52%	60%	99%
Robert G. Jones	60%	20%	60%	52%	60%	99%

The following table shows the performance measures used in the 2014 Annual Incentive Compensation Program for NEOs, together with the percentage of the total annual cash incentive grant that such component comprises. Each of the components for the NEOs is described in greater detail below.

Performance Measure	2014
	Portion of Total Target Award
Adjusted EBITDA	50%
Adjusted EPS	20%
Safety Incident Rate	15%
Environmental Compliance	15%

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We believe that these performance measures align our compensation packages with both stockholder and employee interests, by targeting specific performance goals and operational standards. By identifying meaningful performance measures and by assigning certain measures greater weight, we are able to more closely align compensation to the achievement of those business objectives over which particular employees have the greatest impact.

If the target level of performance is achieved with respect to a particular performance measure, the applicable payout percentage for that performance measure will equal 100%. Achievement at the threshold or maximum performance level results in an applicable payout percentage that varies based on the performance measure, as shown in the table below. We prorate payouts under the annual cash incentive awards for performance levels that fall between the threshold, target and maximum performance levels. There is no payout for performance that does not meet the threshold level criteria.

Performance Measure	Threshold	Target	Maximum
Adjusted EBITDA	25%	100%	200%
Adjusted Earnings per Share	25%	100%	200%
Safety Incident Rate ⁽¹⁾	50%	100%	225% ⁽²⁾
Environmental Compliance	50%	100%	225% ⁽²⁾

- (1) In the event of a work-related fatality at any of our mine locations, there is no payout for the safety incident rate component.
- (2) Beginning with the 2015 Annual Incentive Compensation Program year, these maximums are reduced from 225% to 200%.

Adjusted EBITDA

Each year the Company establishes a budget, including Adjusted EBITDA. "Adjusted EBITDA" is determined based on our earnings before interest, taxes, depreciation and amortization, determined on a consolidated basis in accordance with generally accepted accounting principles, and excludes items such as acquisition-related expenses and amortization of acquired sales contracts. The Committee reviews the budget approved by the Board and sets the "target" level of this component based on that budget. The threshold and maximum amounts for this component are then set at 20% less than "target" and 30% greater than "target," respectively. The following table shows the threshold, target and maximum levels for the 2014 Annual Incentive Compensation Program.

2014 PERFORMANCE GOALS			
Performance Measure	Threshold	Target	Maximum
Adjusted EBITDA	\$ 157,132,500	\$ 202,027,500	\$ 269,370,000

Adjusted Earnings per Share (EPS)

The target level for Adjusted EPS is set in a similar manner to Adjusted EBITDA. The Committee reviews the budget and sets the "target" for Adjusted EPS based on the approved budget. "Adjusted EPS" is determined based on our earnings per share of our common stock outstanding, determined on a consolidated basis in accordance with generally accepted accounting principles, and excludes items such as

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acquisition related expenses and amortization of acquired sales contracts. The threshold and maximum amounts for this component are then set at 20% less than target and 30% greater than target, respectively. The following table shows the threshold, target and maximum levels for the 2014 Annual Incentive Compensation Program.

Performance Measure	2014 PERFORMANCE GOALS		
	Threshold	Target	Maximum
Adjusted EPS	\$ (2.24) ⁽¹⁾	\$ (1.89) ⁽¹⁾	\$ (1.38) ⁽¹⁾

(1)

In establishing the performance goals, the Committee did consider whether it was appropriate to establish goals that were negative. Because these targets are based on budget, and the failure to meet these targets would lead to a decline in the Company's operating results and financial performance, the Committee decided that these goals were appropriate.

Safety Incident Rate

Safety is an important emphasis for the Company and, the Board believes, each of the Company's stakeholders. Strong safety performance leads to improved employee performance and lower costs associated with regulatory citations, insurance and litigation matters, which, in turn lead to improved operating performance. Because of these factors, the Committee uses Safety Incident Rate as a component of the annual incentive compensation program. "Safety Incident Rate" is determined based on the Company's historical performance, and is the number of reportable injuries per 200,000 man hours. The "target" goal is set at a 10% improvement over the Company's three-year average, while the threshold and maximum goals are the Company's three-year average and 15% improvement over the Company's three-year average, respectively. In addition, there is no payout for this performance measure if there is a work-related fatality during the fiscal year. The following table shows the threshold, target and maximum levels for the 2014 Annual Incentive Compensation Program.

Performance Measure	2014 PERFORMANCE GOALS		
	Threshold	Target	Maximum
Safety Incident Rate	1.55	1.40	1.32

Environmental Compliance

Like safety, environmental compliance is an important goal for the Company. Improved environmental compliance can improve the areas in which our employees live and operate and reduce long-term costs and expenses associated with fines, remediation issues and litigation matters. The Committee has established an environmental compliance component based on Notices of Violation, or NOV's, received by the Company and its subsidiaries. Similar to the safety component, the target goal for this component is a 10% improvement over the Company's three-year average, with threshold and maximum goals being the Company's three-year average and a 20% improvement over the Company's three-year average, respectively.

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The following table shows the threshold, target and maximum levels for the 2014 Annual Incentive Compensation Program.

Performance Measure	2014 PERFORMANCE GOALS		
	Threshold	Target	Maximum
Environmental Compliance	19 NOVs	17 NOVs	15 NOVs

2014 Payout under the Annual Incentive Compensation Program

In early 2015, the Committee evaluated the level of achievement of the various performance measures for 2014 and made the following determinations:

Performance Measure	Actual Performance	Applicable Payout Percentage	Relative Weighting	Weighted Payout Percentage
Adjusted EBITDA	\$ 229,292,000	140.5%	50%	70.24%
Adjusted Earnings per Share	\$ (1.70)	137.6%	20%	27.53%
Safety Incident Rate	1.10	225%	15%	33.75%
Environmental Compliance	8 NOVs	225%	15%	33.75%

Based on the actual performance as set forth above, the following cumulative amounts of payouts were made under the 2014 Annual Incentive Compensation Program for the Company's 2014 performance:

Name	Target as % of Base Salary	Actual Payout as % of Base Salary	Dollar Amount of Payout
John W. Eaves	100%	165%	\$ 1,611,408
John T. Drexler	80%	132%	\$ 694,145
Paul A. Lang	85%	140%	\$ 948,251
Kenneth D. Cochran	60%	99%	\$ 446,236
Robert G. Jones	60%	99%	\$ 421,445

Long-Term Incentive Program*Overview*

The Committee designed our long-term incentive program to promote decision-making that creates long-term value for our stakeholders. The Committee believes that an effective long-term incentive program should also create strong retention incentives for those key employees who are most likely to influence our long-term performance. In addition, we attempt to align the long-term interests of our executives with those of our stockholders by allocating a significant portion of the long-term incentive program to awards whose values are tied to the value of our common stock.

The following table shows the components of our long-term incentive program for each of the last three years and for 2015, together with the percentage associated with such portion of the award compared to the total award granted in that year. Long-term incentive awards contain various incentive levels based on the participant's accountability and potential influence on our performance, with target opportunities

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established as a percentage of base salary based on the median market data. Each of the components used in the 2014 and 2015 long-term incentive program for the NEOs is described in greater detail below.

Compensation Component	2012	2013	2014	2015
Performance shares			35%*	35%*
Performance units	30%	30%	30%	30%
Restricted stock/restricted stock units	35%	35%	35%	35%
Stock options	35%	35%		

*

Performance shares include a Total Stockholder Return (TSR) modifier.

Some or all of these performance measures may be used for our other employees, and the performance measures may differ for various groups or classifications of employees. We believe that the performance measures for our performance units and performance shares, together with the TSR modifier potentially applicable to the performance shares, align our NEOs' long-term compensation packages with the long-term interests of our stakeholders.

If the target level performance is achieved with respect to a particular performance measure (subject to the TSR modifier discussed below), the applicable payout percentage for that performance measure will equal 100%. Achievement at the threshold or maximum performance level results in an applicable payout percentage that varies based on the performance measure, as further discussed below.

Performance Shares

Beginning in 2014, the Company replaced stock options with performance shares as 35% of the value of the long-term incentive program in order to motivate our NEOs and other key employees to focus on strategic company objectives over a multi-year period. Performance shares are shares of common stock that can be earned over a three-year performance period, contingent on the Company achieving its specific, pre-established operating cash flow goals. The ultimate number of shares earned is calculated based on actual performance relative to the targets established, and will be further modified up or down based on our total shareholder return achieved relative to its peers over the three-year performance period. Based on performance, NEOs may receive a 0% payout if performance thresholds are not achieved. NEOs may receive a maximum payout of two times the target number of shares awarded if maximum levels of financial performance are achieved. Performance share awards in 2014 are subject to a three-year cliff vesting schedule. An executive may forfeit the award if his or her employment terminates before they vest.

Performance shares can provide significant value to recipients because the number of shares earned is variable based on actual performance, and the value underlying each share of common stock is tied to the current stock price. Performance shares, therefore, satisfy our objectives to focus executives on both the achievement of financial goals and the appreciation in the value of our common stock.

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For the 2014 performance share awards, rather than establish a total operating cash flow target for three years, the Committee has divided each performance share award into three tranches, each subject to a separate operating cash flow target over the next three years. The operating cash flow goals are set at the start of each performance year in order to provide the Committee with a better opportunity to assess and establish appropriate target levels of performance. Because goals are set on a year-by-year basis, only a one-third portion is considered granted for accounting purposes each year, and only that one-third portion will appear in the Summary Compensation Table for that year. The following table shows the operating cash flow goals and results for the 2014 portion of the award:

Operating Cash Flow Goals and Achievement for 2014

Tranche	Threshold (50% of Target)	Target (100%)	Maximum (200% of Target)	Actual Results ⁽¹⁾
Tranche 1: January - December 2014	\$ 0	\$ 30,061,000	\$ 100,000,000	(\$ 33,582,000)

(1) Because threshold was not met, there will be no payout for this tranche at the end of the three year performance period.

As noted above, the portion earned based on operating cash flow performance for a year remains subject to cliff vesting at the end of the three-year period and further modification measured over the three-year period based on a total shareholder return modifier, as follows:

Total Shareholder Return Modifier (Adjustment from -25% to +25%)

Peer Group	Threshold (-12.5% Adjustment)	Target (No Adjustment)	Maximum (+12.5% Adjustment)
Peer Group (50% Weight)	20 th Percentile and below	50 th Percentile	90 th Percentile and above
Coal Group (50% Weight)	20 th Percentile and below	50 th Percentile	90 th Percentile and above

Performance Units

Performance units are used as a component of our long-term incentive program in order to motivate our NEOs and other key employees to focus on our operating performance over a multi-year period. Performance units generally provide an opportunity for key employees to earn compensation upon the successful achievement of our objectives over a three-year period. The Committee has also retained discretion to further align the long-term interests of our stockholders and executives by providing that payouts under performance units may be in the form of cash, stock or a combination of the two.

Payouts under the performance units granted will depend upon our achievement of certain safety and environmental objectives over a three-year period. Both safety and environmental objectives are important short- and long-term priorities for the Company. Strong safety performance leads to improved employee performance and lower costs associated with regulatory citations, insurance and litigation matters, which, in turn lead to improved operating performance. Improved environmental compliance can improve the areas in which our employees live and operate and also reduce long-term costs and expenses associated with fines,

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remediation issues and litigation matters. The "target" levels for each of these are equal to a 10% improvement over the prior three-year average of the Company.

During our ongoing discussions with stakeholders, some stakeholders have raised a question about why we include safety and environmental performance in both our annual and long-term incentive programs, with several thinking these measures were duplicative. Our industry has seen first-hand the impact that lax safety and environmental performance can have on the long-term viability of a company, and we feel strongly that a significant focus on both strong safety and environmental performance is not only beneficial for the safety of our employees and the communities in which we operate, but also a pillar of the long-term success and future of our Company.

In addition, the safety and environmental components of our long-term incentive program do not include a "threshold" measure. Payout is only made if the Company meets a 10% improvement over the Company's prior three-year average. Finally, with respect to the safety component, payout at the "maximum" level is conditioned not only on meeting the safety measure, but also on exceeding each of the three-year averages for three of our competitors, as shown on the tables below.

2014 Safety and Environmental Compliance Goals

Safety Incident Rate (50% of Total Award)		Environmental Compliance (50% of Total Award)	
Payout Factor	Incident Rate	Payout Factor	Notices of Violation
Target (100%)	1.40	Target (100%)	17
175% of Target	1.32	Maximum (200%)	15
Maximum (200%)	1.32 ⁽¹⁾		

- (1) To achieve Safety Incident Rate maximum payout, the incident rate must be 1.32 or lower and the Safety Incident Rate must be better than the three-year average of Alpha Natural Resources, Inc., Consol Energy, Inc., and Peabody Energy Corp.

Our compensation program for 2012 included an award of performance units earned based on 2012-2014 performance. In early 2015, the Committee evaluated the level of achievement of the various performance measures for the 2012-2014 performance period and made the following determinations:

Performance Measure	Target	Actual Performance	Relative Weighting	Weighted Payout Percentage
Safety Incident Rate	2.17	1.10	50%	87.5%
Environmental Compliance	54	8	50%	100%

Total amounts paid to each NEO under the 2012 performance unit awards for the Company's 2012-2014 performance are set forth on page 61.

Restricted Stock Units and Restricted Stock

We believe that restricted stock units and restricted stock can provide a significant retention incentive since they have real, current value that an executive may forfeit if his or her employment terminates before the awards vest. In addition, restricted stock units and restricted stock satisfy our compensation objectives

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by promoting long-term decision-making that is intended to result in appreciation in the value of our common stock.

When awarded, we generally condition receipt of the common stock underlying these awards on the executive's continued employment. Restricted stock units and restricted stock usually vest in full at the end of a specific period, generally three years in length. In determining the conditions associated with these types of awards, the Committee considers the market competition for the executive's position, the ability of the executive to influence our long-term financial and operating performance and succession planning. The Committee has retained discretion whether or not to consider the number of shares of our common stock held by an executive in recommending subsequent awards of restricted stock units or restricted stock. The actual number of shares of restricted stock units granted to each NEO as part of a 2014 long-term incentive compensation award is set forth in the table under "Grants of Plan-Based Awards for the Year Ended December 31, 2014." All restricted stock unit awards granted in 2014 and 2015 were subject to a three-year cliff vesting schedule.

Other Benefits

Perquisites and Other Benefits We provide a limited number of perquisites and other benefits to our NEOs. The purpose of perquisites and other benefits of a similar nature is to attract and retain executives with a comprehensive compensation package. We provide the following perquisites to a limited number of our executives:

Financial, Estate and Tax Planning Services We provide our NEOs with financial, estate and tax planning services in order to assist them with the complexities of the various compensation arrangements that we maintain, retirement planning and compliance with our stock ownership guidelines.

Club Membership Dues We provide a limited number of our NEOs with memberships for country clubs. We intend for these club memberships to provide access to facilities that our NEOs may use for private business and business entertainment meetings.

Other Perquisites We provide certain of our NEOs with a limited personal use of our corporate aircraft. For more information about these perquisites, including the incremental cost to us for providing them, refer to the table included as a footnote to the Summary Compensation Table below.

The above perquisites are taxable to the executives. Executives do not receive any tax gross up payments on perquisites.

Participation in Benefit Plans and Other Compensation Arrangements Each of our NEOs is eligible to participate in the same health and welfare plans as our other eligible employees. These plans include medical and dental insurance, life, travel and accidental death and dismemberment insurance, short-and long-term disability coverage and participation in our qualified defined benefit pension plan and qualified defined contribution plan. In addition, each of our NEOs is eligible to participate in our supplemental retirement plan and non-qualified deferred compensation plan, and each of our NEOs is subject to a change-in-control agreement.

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The following is a summary of certain benefit plans and other compensation arrangements available to our NEOs but for which our other employees may not be eligible:

Supplemental Retirement Plan Benefits We sponsor a tax-qualified defined benefit plan covering all of our eligible employees, including our executives. The Internal Revenue Code limits the amount of qualified retirement benefits we may provide for certain employees. As a result, we sponsor a supplemental retirement plan that provides eligible employees, including the NEOs, with additional retirement benefits that would otherwise be available under our defined benefit pension plan but for the limitations contained in the Internal Revenue Code. For more information about our defined benefit pension plan and our supplemental retirement plan, including the accumulated benefits attributable to our NEOs, you should see "Pension Benefits" below.

Non-Qualified Deferred Compensation Plan We sponsor a tax-qualified defined contribution plan covering all of our eligible employees, including the NEOs. Under this plan, eligible employees, including the NEOs, may contribute up to 50% of their base salaries to the plan, subject to certain limitations contained in the Internal Revenue Code. We contribute one dollar for each dollar contributed by our employees, up to a maximum of 6% of employees' base salaries. The Internal Revenue Code limits the amount certain of our employees may contribute to our tax-qualified defined contribution plan in any tax year. As a result, we sponsor a non-qualified deferred compensation plan that allows eligible employees, including the NEOs, to defer receipt of a portion of their base salaries and certain annual and long-term cash incentive awards not subject to these limits. The deferred compensation plan provides higher-paid employees with the full Company matching contribution to which they would otherwise be entitled under our defined contribution plan but for the limitations contained in the Internal Revenue Code. For more information about our deferred compensation plan, including information about amounts attributable to our NEOs, you should see "Non-Qualified Deferred Compensation" below.

Change-in-Control Agreements In order to provide certain key employees, including the NEOs, with some financial security in the event their employment with our organization is terminated without cause or under certain circumstances following a change-in-control, we provide those employees with change-in-control agreements that provide for cash payments and certain other severance benefits upon a qualifying termination. We believe that the change-in-control agreements we maintain with our key employees provide a meaningful mechanism by which to retain those individuals who are most capable of affecting our future performance. Our change-in-control agreements do not include tax gross up provisions. For more information about the change-in-control agreements with our NEOs, you should see "Potential Payments Upon Termination of Employment or Change-in-Control" below.

Stock Ownership Guidelines Our Board has adopted stock ownership guidelines that are intended to promote meaningful stock ownership by our executives. These guidelines specify a number of shares of our common stock, including unvested restricted stock, unvested restricted stock units, shares held through our qualified defined contribution plan and hypothetical shares of our common stock held through our non-qualified deferred compensation plan, that our executives must accumulate within five years of becoming an executive officer of the Company. The specific share holding guidelines are determined based

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on a multiple of base salary. In 2014 our Board increased our senior officer ownership requirements to those set forth below in order to align our requirements with competitive industry practices.

Position	Requirement
Chief Executive Officer	5 × Salary
Chief Operating Officer	3 × Salary
Chief Financial Officer	3 × Salary
All other senior officers	2 × Salary

Each officer has five years from the date the new ownership guidelines were adopted to come into compliance with their respective requirement. As of December 31, 2014, each of the NEOs was in compliance with, or was in process of compliance with, the stock ownership goals adopted by the Board. If an officer does not meet the applicable guideline at any time after the initial five-year period, the officer is required to hold a minimum of 67% of the net shares resulting from any future vesting of equity awards (i.e., restricted stock, restricted stock units or performance shares) until the guideline is met.

Anti-Hedging and Anti-Pledging Policy Each of our NEOs and directors is subject to the terms of our securities trading policies. Those policies prohibit entering into hedging transactions involving our stock, including trading in or writing "puts" and "calls" or engaging in "short sales," "margining" or any other action designed to offset any change in the value of the Company's stock. Those policies also prohibit NEOs and directors from pledging any Company securities.

Impact of Tax Considerations on Compensation

The Internal Revenue Code limits the amount of the tax deduction we are entitled to take for compensation paid to our Chief Executive Officer and our next our next three most highly compensated officers other than our Chief Financial Officer for a particular year unless the compensation meets specific standards. We may deduct compensation in excess of \$1 million if compensation is "performance-based" and is paid pursuant to a plan that is stockholder approved and meets certain requirements. In developing, implementing and administering our executive compensation program, the Committee considers the impact of these limits and balances the desire to maximize the deductibility of compensation with the goal of attracting, motivating and retaining highly-talented executives.

We generally seek to maximize the tax deductibility of all elements of compensation. However, in light of the need to maintain flexibility in administering our executive compensation program, the Committee retains discretion to recommend to the Board compensation in excess of the limits, even if a portion of it may not be deductible.

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The following table is a summary of compensation information for our Chief Executive Officer, our Chief Financial Officer and each of the other three most highly compensated executives for the fiscal year ended December 31, 2014:

Name and Principal Position	Year	Salary (\$) ⁽¹⁾	Bonus (\$)	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$) ⁽³⁾	Change in Pension Value and Non-Qualified Deferred Compensation Earnings (\$) ⁽⁴⁾	All Other Compensation (\$) ⁽⁵⁾	Total (\$)
John W. Eaves President and Chief Executive Officer	2014	\$ 975,000	\$ 0	\$ 2,744,517	\$ 0	\$ 3,151,533	\$ 399,162	\$ 75,185	\$ 7,345,397
	2013	\$ 850,000	\$ 0	\$ 904,790	\$ 849,493	\$ 1,624,250	\$ 43,121	\$ 76,432	\$ 4,348,086
	2012	\$ 779,712	\$ 0	\$ 912,743	\$ 944,313	\$ 923,695	\$ 261,526	\$ 128,476	\$ 3,950,465
John T. Drexler Senior Vice President and Chief Financial Officer	2014	\$ 525,000	\$ 0	\$ 1,161,015	\$ 0	\$ 1,390,239	\$ 163,121	\$ 45,665	\$ 3,285,040
	2013	\$ 450,000	\$ 0	\$ 376,299	\$ 353,332	\$ 806,400	\$ 0	\$ 48,540	\$ 2,034,571
	2012	\$ 450,000	\$ 0	\$ 413,721	\$ 406,234	\$ 473,940	\$ 102,150	\$ 46,425	\$ 1,892,470
Paul A. Lang Executive Vice President and Chief Operating Officer	2014	\$ 675,000	\$ 0	\$ 1,628,718	\$ 0	\$ 1,943,314	\$ 279,748	\$ 54,504	\$ 4,581,284
	2013	\$ 650,000	\$ 0	\$ 593,082	\$ 556,831	\$ 1,000,413	\$ 2,018	\$ 35,018	\$ 2,837,362
	2012	\$ 600,962	\$ 0	\$ 590,041	\$ 615,482	\$ 542,176	\$ 197,276	\$ 57,123	\$ 2,603,060
Kenneth D. Cochran Senior Vice President Operations	2014	\$ 450,000	\$ 0	\$ 904,791	\$ 0	\$ 795,361	\$ 115,711	\$ 39,152	\$ 2,305,015
	2013	\$ 410,000	\$ 0	\$ 311,708	\$ 292,663	\$ 277,890	\$ 37,650	\$ 38,499	\$ 1,368,410
	2012								
Robert G. Jones Senior Vice President Law, General Counsel and Secretary	2014	\$ 425,000	\$ 0	\$ 854,865	\$ 0	\$ 934,726	\$ 165,238	\$ 35,734	\$ 2,415,564
	2013	\$ 365,000	\$ 0	\$ 277,713	\$ 260,606	\$ 554,435	\$ 16,071	\$ 37,071	\$ 1,510,896
	2012	\$ 365,000	\$ 0	\$ 305,067	\$ 299,730	\$ 380,963	\$ 127,389	\$ 36,617	\$ 1,514,766

(1) Amounts shown include amounts that our NEOs elected to defer, on a discretionary basis, pursuant to our deferred compensation plan.

(2) Amounts shown represent the aggregate grant date fair value of all stock and stock option awards, as applicable, made to each executive during the year indicated. We have determined the grant date fair value in accordance with FASB ASC Topic 718 (formerly referred to as Statement of Financial Accounting Standards No. 123R, *Share-Based Payment*). The determination of the grant date fair value is subject to certain estimates and assumptions described in Note 18, Stock-Based Compensation and Other Incentive Plans, to our consolidated financial statements for the year ended December 31, 2014. Amounts shown do not necessarily represent the actual value that may ultimately be received by the executives.

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(3)

Amounts shown include the following payouts:

Name	Year	Annual Cash		Performance Unit	
		Incentive Awards		Awards(#)	
John W. Eaves	2014	\$	1,611,408	\$	1,540,125
	2013	\$	735,250	\$	889,000
	2012	\$	257,085	\$	666,610
John T. Drexler	2014	\$	694,145	\$	696,094
	2013	\$	311,400	\$	495,000
	2012	\$	121,500	\$	352,440
Paul A. Lang	2014	\$	948,251	\$	995,063
	2013	\$	477,913	\$	522,500
	2012	\$	170,156	\$	372,020
Kenneth D. Cochran	2014	\$	446,236	\$	349,125
	2013	\$	212,790	\$	65,100
	2012				
Robert G. Jones	2014	\$	421,445	\$	513,281
	2013	\$	189,435	\$	365,000
	2012	\$	73,913	\$	307,050

(#)

Performance unit awards represent payout of performance unit awards granted in 2012 for the 2012-2014 performance period under Arch's long-term incentive program. Half of these awards were tied to a safety performance measure and half were tied to an environmental performance measure. Below is a table that lists the performance measure, the applicable threshold, target and maximum achievement levels for each performance measure and the actual performance for each performance measure.

Performance Measure	Relative Weighting	Threshold	Target	Maximum	Actual Performance
Safety Incident Rate	50%		2.17	2.06 plus 3-year average must exceed top three industry competitors	1.26 and did not out perform all three competitors
Environmental	50%		54 NOVs	51 NOVs	12 NOVs

Amounts shown include amounts that the NEO elected to defer, on a discretionary basis, pursuant to our deferred compensation plan.

(4)

Amounts shown represent the changes in the actuarial present value of the accumulated benefits for our NEOs under our defined benefit pension plans, including our supplemental retirement plan, computed in accordance with FASB ASC Topic 715 (formerly referred to as Statement of Financial Accounting Standards No. 87, *Employer's Accounting for Pensions*). The present value of accumulated benefits is subject to certain actuarial assumptions described in Note 20, Employee Benefit Plans, to our consolidated financial statements for the year ended December 31, 2014 and under the heading "Employee Benefit Plans" in the section entitled "Critical Accounting Policies" included in our Annual Report on Form 10-K for the year ended December 31, 2014.

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(5)

Amounts shown include the following:

Name	Year	Credits Under								Total
		Matching Contribution to Plan	Deferred Compensation Plan	Dividends/ Dividend Equivalents	Financial Planning Services	Club Membership Dues	Reimbursement	Tax	Other*	
John W. Eaves	2014	\$ 15,600	\$ 35,700	\$ 0	\$ 14,700	\$ 9,185	\$ 0	\$ 0	\$ 0	\$ 75,185
President and Chief Executive Officer	2013	\$ 15,300	\$ 32,966	\$ 1,596	\$ 16,825	\$ 9,745	\$ 0	\$ 0	\$ 0	\$ 76,432
	2012	\$ 13,817	\$ 23,613	\$ 2,660	\$ 12,998	\$ 9,000	\$ 0	\$ 66,388	\$ 0	\$ 128,476
John T. Drexler	2014	\$ 10,835	\$ 15,577	\$ 0	\$ 10,793	\$ 8,460	\$ 0	\$ 0	\$ 0	\$ 45,665
Senior Vice President and Chief Financial Officer	2013	\$ 11,423	\$ 16,615	\$ 888	\$ 10,518	\$ 9,096	\$ 0	\$ 0	\$ 0	\$ 48,540
	2012	\$ 10,385	\$ 16,615	\$ 1,480	\$ 10,145	\$ 7,800	\$ 0	\$ 0	\$ 0	\$ 46,425
Paul A. Lang	2014	\$ 7,788	\$ 30,720	\$ 0	\$ 1,900	\$ 0	\$ 0	\$ 14,096	\$ 0	\$ 54,504
Executive Vice President and Chief Operating Officer	2013	\$ 8,280	\$ 23,796	\$ 942	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,018
	2012	\$ 12,261	\$ 15,364	\$ 7,570	\$ 1,900	\$ 0	\$ 0	\$ 20,028	\$ 0	\$ 57,123
Kenneth D. Cochran	2014	\$ 14,279	\$ 10,691	\$ 160	\$ 14,022	\$ 0	\$ 0	\$ 0	\$ 0	\$ 39,152
Senior Vice President Operations	2013	\$ 13,909	\$ 8,942	\$ 2,100	\$ 13,548	\$ 0	\$ 0	\$ 0	\$ 0	\$ 38,499
	2012									
Robert G. Jones	2014	\$ 10,733	\$ 11,138	\$ 0	\$ 13,864	\$ 0	\$ 0	\$ 0	\$ 0	\$ 35,735
Senior Vice President Law, General Counsel and Secretary	2013	\$ 10,762	\$ 11,582	\$ 660	\$ 14,067	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,071
	2012	\$ 10,318	\$ 11,876	\$ 1,100	\$ 13,323	\$ 0	\$ 0	\$ 0	\$ 0	\$ 36,617

*

Other items shown in the table above include personal use of corporate aircraft. We determine the aggregate incremental cost of the personal use of corporate aircraft by reference to a cost-per-flight-hour charge developed by a nationally-recognized and independent service. The cost-per-flight-hour charge reflects the direct operating cost of the aircraft, including fuel, aircraft landing and parking, as well as an allocable allowance for maintenance and engine restoration. Fixed costs that do not change based on usage, such as pilot salaries, depreciation and insurance are not included.

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Grants of Plan-Based Awards for the Year Ended December 31, 2014

The following table shows information relating to the grants of certain equity and non-equity awards made to the NEOs during 2014:

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: or Option Exercise Awards: Number of Securities of Underlying Option Awards			Grant Date Fair Value of Stock and Option Awards ⁽¹⁾
		Threshold (\$)	Target (\$)	Maximum (\$)	Number of Shares or Units (#)	Price of Securities (\$/Sh)	Price of Option Awards (\$/Sh)	
John W. Eaves	2/27/2014 ⁽²⁾	\$ 316,875	\$ 975,000	\$ 2,023,125				
	2/27/2014				291,350			\$ 1,313,989
	2/27/2014				291,350			\$ 1,430,529
	2/27/2014 ⁽³⁾		\$ 1,023,750	\$ 2,047,500				
John T. Drexler	2/27/2014 ⁽²⁾	\$ 136,500	\$ 420,000	\$ 871,500				&