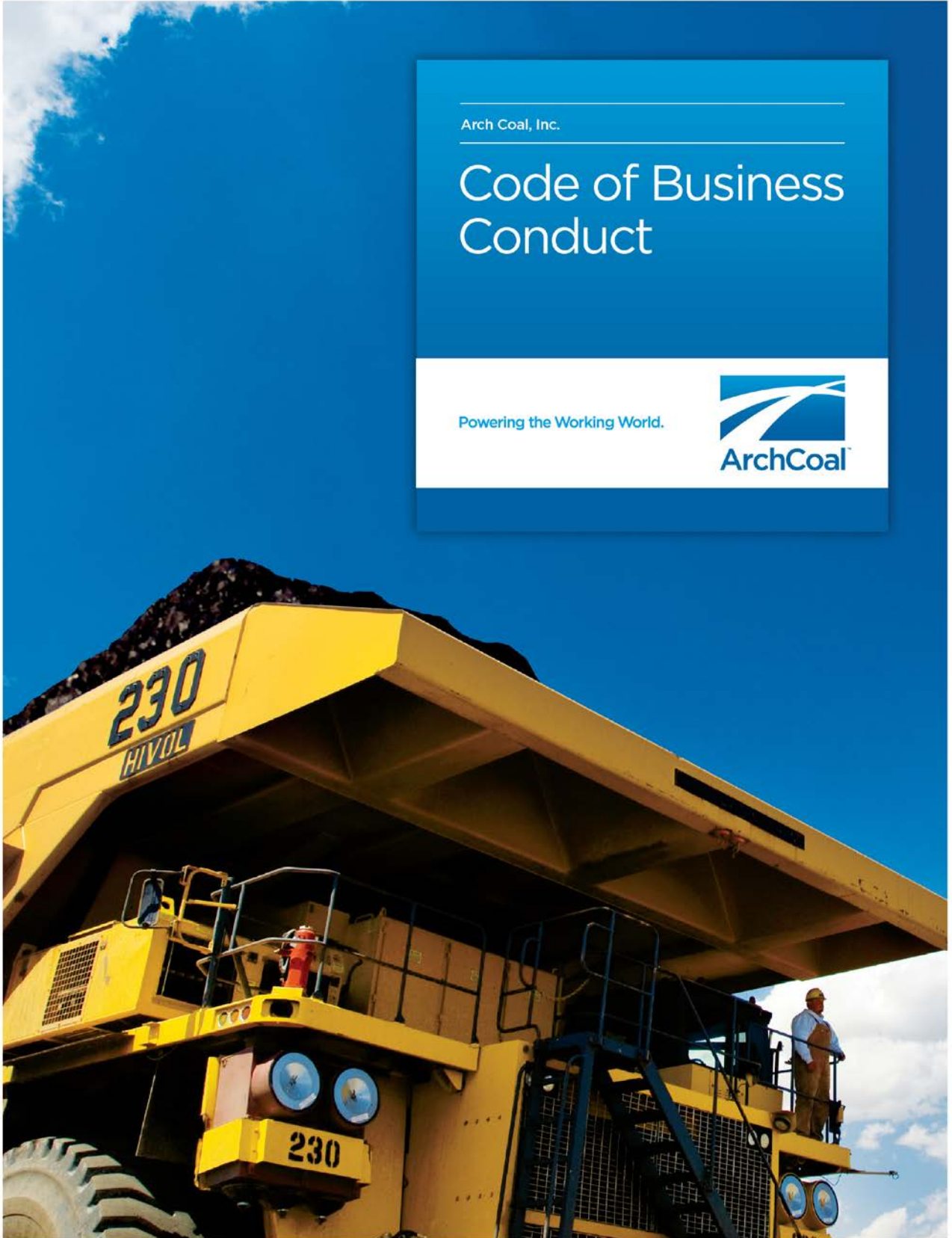


Arch Coal, Inc.

Code of Business Conduct

Powering the Working World.



Purpose

This Code of Business Conduct applies to Arch Coal and each of its subsidiaries, which are referred to collectively as “the Company.” Although no set of rules can cover all circumstances, it is designed as a guideline to ensure consistency in how employees conduct themselves within the Company and in their dealings outside of the Company. **IT IS NOT A CONTRACT OR GUARANTEE OF EMPLOYMENT AND DOES NOT CREATE ANY CONTRACTUAL RIGHTS.** It also does not fully reflect all Company policies. These guidelines and policies may be varied, and the Company may change them in its sole discretion, without notice.

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Introduction

The Company is committed to doing business ethically and safely and to following all laws that apply to it. This Code of Business Conduct is meant to help us meet this commitment. It applies to everything we do – from the way we serve customers to the way we safeguard our employees and the environment. It defines how we treat each other and our many stakeholders: customers, suppliers, shareholders and members of the communities in which we work. It also gives us a shared set of ethical principles to guide our daily work activities.

As part of your job, you are required to be familiar with and follow the Code, policies and laws that apply to you. Your local management and the Chief Compliance Officer are available to answer questions you might have about laws that apply to your job.

Reporting Violations of this Code

The Company believes that most employees will do their best to follow this Code of Business Conduct. This includes reporting any risks of violation of the law, this Code or Company policy before that risk becomes an actual problem. It also includes notifying the Company if you believe your co-workers are violating any laws, this Code or Company policies or if you find yourself uncomfortable with a situation. The Company realizes that reporting a concern or problem – especially one involving a co-worker – is not always easy and that there is not always one right answer. Usually, the first place to go with questions or concerns is your supervisor. However, if your supervisor does not answer your question or address your problem – or if the problem involves your supervisor – you may report your concerns to another member of local management or the Company's Chief Compliance Officer, who has primary responsibility for ensuring compliance with this Code. Legal questions, and any questions relating to the meaning or application of this Code or policies, should be directed to the Chief Compliance Officer.

To report a suspected violation of law, policies or this Code to the Chief Compliance Officer, call toll-free 800-238-7398 or mail to: Chief Compliance Officer, Arch Coal, Inc., CityPlace One, St. Louis, MO 63141. You also can report concerns anonymously to the Compliance Hotline, toll-free 866-519-1881, or send an e-mail to compliance@archcoal.com.

Reports will be investigated promptly.

NO DISCIPLINARY OR OTHER RETALIATORY ACTION WILL BE TAKEN AGAINST ANYONE FOR REPORTING A SUSPECTED VIOLATION OF LAW, POLICIES OR THIS CODE.

Any information provided in such a report will be kept confidential to the extent possible and consistent with the need to investigate it.

Any violation of a law, this Code or Company policy can result in disciplinary action, termination of employment or, depending on the violation, civil prosecution or claims for loss or damage reimbursement. Following are some examples of Code violations:

- Failure to report a violation of law, the Code or Company policy;
- Failure to cooperate in a Company investigation of possible violations;
- Retaliation against anyone for reporting a concern or violation;
- Failure to monitor subordinates' Code compliance effectively.

Q: I worry that, if I report something suspicious, I will get in trouble if my suspicion turns out to be wrong.

A: You will not be disciplined for reporting a suspected violation in good faith. However, you could be disciplined for failing to report a suspected violation or for reporting something that you know is false when you report it.

Our Company and Shareholders

Business Integrity

Employees are responsible for the integrity and accuracy of the Company's financial records, as well as the proper use of Company funds, property and time.

All financial information must reflect actual transactions and comply with generally accepted accounting principles. The Company maintains a system of internal controls to ensure appropriate approval, recording and accountability of assets. In addition, it is required that:

- Company bank accounts, funds, earnings, expenses and assets are accurately and completely reflected on our books and records;
- Our books and records are accurate and clearly describe and identify the relevant facts or the true nature of the business transaction, asset, liability or

equity and properly and timely classify and record entries in compliance with Company-adopted accounting principles;

- Transactions are executed in accordance with required management authorizations;
- All claims, vouchers, bills and invoices are accurate and proper;
- Company time is used and reported appropriately;
- Company equipment and other property and resources are used to conduct Company business; and
- When internal auditors, Risk Control, legal staff or independent accountants ask employees to respond to requests, responses must be complete and truthful.

Employees may submit concerns regarding questionable financial, accounting, internal controls, information systems or auditing matters, including fraud, as outlined in the Reporting section.

Q: The procedures for opening Company accounts involve several steps. Can I consolidate the authorizations required in order to save time?

A: Key duties and responsibilities need to be divided or segregated among different people to reduce the risk of error or fraud. This should include separating the responsibilities for authorizing transactions, processing and recording them, reviewing and approving the transaction and handling any related assets. No one individual should control all key aspects of a transaction or event.

Proper Use of Company Technologies and Social Media

Our computer networks and information resources include our electronic mail and messaging systems, Company-provided mobile devices (such as smart phones, iPads etc.), the Intranet and use of the following types of external computer-based services when accessed through the Company's system: electronic mail and messaging systems; the Internet; on-line services; and electronic bulletin boards.

We must protect and maintain the security of our information systems, including our computer, e-mail, texting and voice mail systems and comply with all security and protection policies. These policies are available on the Company Intranet under "[Company Policies](#)."

Downloading or installing software from unsecured sources can subject our computer systems to threats from computer viruses. Employees may not knowingly introduce viruses into the network or download or install software from non-virus protected areas.

We respect the rights of others who have created written materials, software and other “intellectual property.” Although you may download, print or copy U.S. Government materials or materials that have been distributed or made available to the public, you should consult with the Legal Department before downloading, printing, copying or distributing any copyright-protected material. Similarly, we only will use computer software to the extent the law and licensing rights and requirements allow.

Employees should use Company information systems, including e-mail, and the Internet, for business purposes and must not use Company e-mail, computers, telephones, mobile devices or other computer-related equipment to download, transmit or receive sexually explicit or other offensive material. Because e-mail and voice mail are business communication tools, all such messages should be professional in tone and content. Every outgoing communication contains a Company signature and can be read by millions of people, including our customers and competitors. All documents, including e-mails and other electronic records on Company-provided equipment, are the Company’s property and, as such, are reviewed from time to time. Employees should have no expectation of privacy in their use of any such resources. The Company may monitor employees’ use of such resources, and intercept and/or review all data stored, transmitted, received or downloaded over the system. The employee is hereby given notice that the Company may exercise this right periodically, without prior notice and without the prior consent of the employee. The Company’s interests in monitoring and intercepting data include, but are not limited to: protection of Company proprietary, confidential, sensitive, or classified data; managing the use of the Company’s computer systems; preventing the transmission or receipt of inappropriate materials by employees; and/or assisting an employee in the management of electronic data during periods of absence.

Employees who participate in blogs, social networks, forums or any other kind of social media on internal or external websites, through the use of Company equipment or non-Company equipment, must make sure their communications do not violate this Code or other Company policies. For example, your position at the Company may afford you access to sensitive and proprietary information about our business, employees and

customers. Employees may not disclose confidential, proprietary, privileged or competitive information on these social media sites. If you are unsure about whether information is confidential, proprietary, privileged or competitive, please contact the Legal Department. Also, under federal securities laws, you may not disclose material non-public information about the Company. Never disclose information relating to business projections or targets for future periods.

By virtue of identifying yourself as a Company employee within the social media, you are connected to your colleagues, managers and, possibly, Company customers. You should ensure the content associated with you is consistent with your work at the Company.

Employees must not use Company logos or trademarks in any communications through the social media unless specifically authorized by the Company. Employees should also respect trademarks and copyrights of others in any posts on social media sites. If you have questions about the acceptable use of social media, contact the Legal Department. For additional guidance, please refer to the Social Media and Blogging Guidelines on the Company Intranet in its Policies area or directly from this hyperlink <http://archatwork.archcoal.com/Company/Policies/Document%20Library/Social%20Media%20and%20Blog%20Policy.pdf>.

If the Company discovers possible evidence of illegal activity or activity that violates Company policies, the Company may take appropriate disciplinary action, up to and including discharge and disclosure of evidence to law enforcement officers or other third parties. Also, we may be required to turn over computers, mobile devices and any information on them in response to a subpoena or document request.

Records Retention

The space available for the storage of Company documents, both on paper and electronic, is limited and expensive. Therefore, periodic destruction of documents is necessary. On the other hand, there are legal requirements that certain records be retained for specific periods of time.

Before disposing of any documents, employees should determine whether the Company's Records Management Policy requires them to be retained. Employees who are unsure about the need to keep particular documents should consult with their supervisor.

Note that e-mails are considered documents, and, if they fall within the Company's Records Management Policy, they need to be maintained (and timely destroyed) just like

any other document (including e-mails stored in personal folders). This applies to all electronic documents, such as those prepared or kept in Word, Word Perfect, Excel, Adobe PDF, or similar formats.

If it becomes clear that documents will be required for a pending or potential lawsuit or government investigation, all relevant documents must be preserved, including e-mails and other electronic documents, and ordinary disposal or alteration of documents relating to the pending or potential litigation or investigation should be suspended immediately – even if they otherwise would be destroyed under the Records Management Policy. If anyone is uncertain about whether documents under their control should be preserved because they might relate to a lawsuit or investigation, they should contact the Legal Department.

Q: Since our computer system automatically deletes e-mails after a set number of days, and I receive hundreds of e-mails a day, do I need to save e-mails that fall under the Records Management Policy?

A: You must be familiar with our Records Management Policy, which can be found through the “Records Retention” link on the “Company” Intranet in its Company Policies section or directly from this [hyperlink](http://archatwork.archcoal.com/Company/Policies/Document%20Library/Records%20Retention%20Policy.pdf) (<http://archatwork.archcoal.com/Company/Policies/Document%20Library/Records%20Retention%20Policy.pdf>). If an e-mail falls within any category of documents that the Records Management Policy requires to be retained – or if it relates to a pending or potential lawsuit or government investigation – you must save it in a personal e-mail folder or other Company electronic file before it is purged automatically from the system.

Proprietary Information and Business Opportunities

In addition to our products and services, we produce ideas, concepts and other information that are important assets of the Company. The law allows us to protect these valuable assets.

Examples of confidential and proprietary information include:

- Marketing plans;
- Sales and marketing data;
- Pricing or cost information;
- Mine plans;

- Geologic and other technical information;
- Lease and real property records;
- Customer and supplier information;
- Employee records;
- Negotiations;
- Legal advice;
- Business strategies (including plans for the purchase or sale of properties);
- and Records relating to systems, methods, programs, plans and processes.

This list does not include every kind of information that is confidential or proprietary; however, you should consider any Company information that is not publicly available to be confidential and proprietary.

You must not use any proprietary information, except as required by your job, or disclose it to any unauthorized person or company. In addition, you must not copy or remove any proprietary information from Company property except as your job requires. You have the duty to prevent the disclosure of any confidential and proprietary information so that unauthorized persons do not have access to it.

When your employment with the Company ends, or if the Company requests it, you must turn over all Company records, materials, models, software programs and the like relating to or containing any proprietary information.

All inventions or discoveries that you make or create during your employment are the Company's property. You must disclose promptly all information regarding those inventions and discoveries, and you may not file any patent applications relating to them without the Company's prior written consent. You are required to sign documents and perform other acts that the Company considers necessary to obtain patents on any inventions or discoveries and to assign those inventions or discoveries to the Company or others it identifies.

In addition, you must not use for personal benefit, or for the personal benefit of others, any information about the Company's business opportunities that you gain during your employment. One example of prohibited use of information is the purchase or lease of property interests in an area after you have learned that the Company holds mining interests there or may have an interest in acquiring those properties. If you have a question about whether an opportunity is a Company business opportunity, please contact the Legal Department.

Q: If I take a job with another company, may I use information about our processes and procedures that I remember?

A: No. You are required to keep the Company's proprietary and confidential information confidential – even after your employment ends. You should not, during the continuance of your employment, or any time after its termination, disclose, divulge, impart or reveal to any person or company any of the trade secrets or confidential operations, processes, dealings or other information concerning the organization, business, finance, transactions or affairs of the Company or any of its related, associated or affiliated companies, which may come to your knowledge during your employment, and you should not use or attempt to use any such information in any manner that may injure or cause loss, either directly or indirectly, to the Company or its business.

Conflicts of Interest

Employees must act lawfully and in the Company's best interests. Conflicts of interest arise when we put our personal, social, financial or political interests before the Company's interests. Even the appearance of a conflict can damage your reputation, as well as the Company's.

Employees are expected to avoid activities that might interfere with their duties or adversely affect the Company. Taking part in any outside business that does business with or competes with the Company is prohibited.

While it is not possible to identify all actions that may create a conflict of interest, examples of conflicts include holding a financial interest or position in an organization that does business with or is a competitor of the Company (other than nominal amounts of stock in publicly-traded companies). Similarly, a conflict of interest may arise if your close relative or other person with whom you have a close personal relationship engages in such activities.

Any actual or potential conflict of interest must be disclosed to your supervisor. Many conflicts can be resolved in a simple, mutually acceptable way. If your supervisor believes an actual or potential conflict exists, s/he must report it to the manager responsible for the business unit affected by the conflict (for example, your employer's purchasing department) or, if this can't be determined, to the next most senior supervisor, who will

determine whether a conflict exists. In the event of a conflict, appropriate safeguards must be established and documented (by noting the conflict and safeguards) in the employee's file and, if applicable, the vendor's file.

Q: I am in the Purchasing Department, and my cousin is a distributor for one of our vendors. What should I do?

A: Report your conflict to your supervisor. If there is a conflict, s/he may excuse you from purchasing decisions relating to that vendor.

Insider Trading

It is illegal to buy, sell or recommend trading in any company's – including Arch's – stock or to pass along information to those who may trade in that stock, if you have knowledge of "material non-public information" about that company.

"Material non-public information" is information that is not available to the public that could affect the price of a stock and that an investor would consider important in deciding whether to buy, sell or keep that stock. Some examples of material non-public information include: internal or other non-public forecasts of revenue or income; merger or acquisition discussions; signing an important new contract or losing an important existing one; a planned securities offering; purchase or sale of substantial coal reserve quantities; details of important litigation; or a planned change in top management. This list is not exhaustive.

If you are aware of material non-public information about the Company – or about another company that you gained through your relationship with the Company – you must keep it confidential, and you may not:

- Buy the Company's or the third party's securities;
- Sell the Company's or the third party's securities (including Company stock you have acquired through the exercise of options); or
- Recommend or cause others (including family members or friends) to buy or sell the Company's or the third party's securities.

Communicating material non-public information to *anyone* outside the Company is prohibited. You could be fined or even go to jail for engaging in the above conduct.

In addition, the Company believes that the purchase of Company stock should be for investment purposes. As such, trading in or writing "puts" and "calls" and engaging in "short sales," "marginizing" or any other action designed to hedge or offset any change in the

value of the Company's stock is prohibited. Certain officers of the Company are subject to further restrictions on the purchase and sale of Company stock.

These prohibitions apply to your family and anyone else who lives with you or whom you support.

If you are asked to engage in any conduct that is prohibited or may appear to be prohibited above, you should immediately report the circumstances to the Chief Compliance Officer.

Q: If I hear that the Company is about to acquire another company, may I buy stock in that company or in our Company before the deal is announced?

A: No. As an employee, you likely will be considered an "insider" under securities laws and, therefore, cannot buy, sell or advise anyone else to buy or sell our stock or that of the other company until this information becomes public.

The Marketplace

The Company considers its reputation for fairness and integrity to be one of its most valuable assets. The Company wants to have stable and profitable relationships – based on fairness and integrity – with its employees, customers, suppliers and others with whom it does business. Employees are expected to use good judgment in all dealings with others and must conduct their business affairs in a way to ensure our unquestionable integrity.

Antitrust Laws

Many national and state governments have enacted antitrust laws. These laws prohibit certain conduct involving competitors, customers and/or suppliers that reduces competition or unreasonably restrains trade. The purpose of these laws is to make sure that markets for goods and services operate competitively and efficiently – so that customers enjoy the benefit of open competition among their suppliers and that sellers actively compete for buyers. The Company will comply in all respects with both the letter and spirit of the antitrust laws. To that end, employees should not participate in any discussion or activity that would lessen competition or artificially set prices independent of the market.

A significant danger for violating antitrust laws rests in contacts and communications with competitors, including at trade association meetings or in non-work settings.

Prohibited discussions and understandings with competitors include (among other things):

- Those relating to the prices we or they will charge (or understandings about price-related terms) or the territories or markets in which we or they will sell; or
- Those that propose to restrict coal output or the boycotting of parties to whom our coal will be sold or that restrict supplier relationships.

There are other situations not addressed here that also should be avoided because they restrict competition. Employees should understand the basic requirements of competition laws that apply to their business activities.

In addition, employees must review with the Chief Compliance Officer any proposed discussions or activities that:

- Result in the disclosure or exchange of pricing or other sensitive or proprietary information to competitors;
- Require suppliers to buy from us before we will buy from them;
- Require customers to sell to us before we will sell to them;
- Restrict customers' choices in using or reselling the coal we sell them; or
- Restrict any party's freedom to do business with or provide any product or service to any other party.

If you are asked to engage in any conduct that is prohibited or may appear to be prohibited above, you should immediately report the circumstances to your supervisor and the Chief Compliance Officer.

Q: One of our competitors asked me to let his company bid a lower price to a customer in exchange for our bidding the lower price on the next request for a proposal. Can I do this?

A: No. You should never discuss pricing plans with a competitor. If a competitor ever begins a discussion about pricing or pricing plans with you, even if they are his company's plans or the plans of a third-party competitor, you should walk away and report this immediately to the Chief Compliance Officer.

Q: I was at a trade association meeting when one of our competitors started talking about a new discount that another competitor was offering its customers. I didn't participate in the discussion, but I stayed to hear what he had to say. Was this O.K.?

A: No. Even being present during a discussion about pricing (or other prohibited topics) is prohibited. When any discussion like this begins, voice your objection to the discussion so that everyone can hear, and, if it does not immediately stop, walk away and promptly report this to the Chief Compliance Officer.

Marketing Integrity

We should never misrepresent or purposely omit material facts relating to the sale of coal or billings to customers. We all should deal fairly with the Company's customers, suppliers and competitors and should avoid practices such as:

- Defaming or lying about a competitor's business or products;
- Causing a customer or supplier to break a contract with a competitor;
- Making false statements; and
- Obtaining information about our competitors by inappropriate means.

If you are asked to engage in any conduct that is prohibited or may appear to be prohibited above, you should immediately report the circumstances to your supervisor and the Chief Compliance Officer.

Q: I have just joined the Company as a new employee, and my previous employer is one of the Company's biggest competitors. May I share some important marketing information I developed while at my former employer?

A: No. It is not ethical or a good business practice to share confidential information with your new employer. You are obligated to protect your past employer's confidential information just as the Company's employees are obligated to protect our confidential information should they leave the Company.

Gifts, Entertainment, Bribes and Corrupt Practices

Normal business entertainment and related expenses incurred within Company guidelines and for the benefit of customers and potential customers are customary in our industry. However, you must not pay or receive money, gifts, services, loans or other favors that may influence business decisions or compromise independent judgment. Giving or receiving gifts of money or securities on behalf of the Company is prohibited.

Also, you must not pay or receive kickbacks for obtaining business for or from the Company. This means offering or giving money, gifts or anything of value to others in exchange for their promise to influence their companies to buy coal from us. It also means soliciting or accepting money, gifts or anything of value from others in exchange for promises to send the Company's business their way. This prohibition applies to all Company business. Conduct that is directly prohibited may not be accomplished through a third party.

The acceptance of meals or attendance at a local social event (e.g., golf outing or charity fundraiser) that a vendor or other business-related third party pays for should be approved by your direct supervisor or General Manager before the event.

Any of the following requires the written (via e-mail) pre-approval of the appropriate Senior Officer through which the person reports:

1. Accepting transportation provided by a vendor or other business-related third party.
2. Accepting overnight accommodations provided by a vendor or other business-related third party.
3. Accepting tickets to sporting/entertainment events when the face value of a single ticket exceeds \$100.

4. Accepting or giving any gift with a fair market value that exceeds \$100.

Following approval, it is the responsibility of the consenting Senior Officer to forward the e-mail approval to the Director of Materials Management.

The solicitation of vendors for gifts or assistance with transportation or overnight accommodations is prohibited.

No gift or hospitality should be solicited or accepted if it has the potential to compromise your business judgment. Similarly, no gift or hospitality should be offered or given if it has the potential to compromise the business judgment of someone else.

In addition, bribery laws, including the U.S. Foreign Corrupt Practices Act (“FCPA”), prohibit offering or giving, directly or indirectly, anything of value (e.g., cash, gifts, entertainment, travel, donations) to induce any government official – within or outside the U.S. – to misuse his official position to improperly benefit you or the Company in any way. (Please refer to the FCPA and Anti-Corruption Policy on the Company’s Intranet website <http://archatwork.archcoal.com/Company/Policies/Document%20Library/Foreign%20Corrupt%20Practices%20Act%20and%20Anti-Corruption%20Policy.pdf>). The term “government official” includes any elected or appointed official of any government (U.S., non-U.S., federal, state and local), any employee of any government agency, any employee or agent of a state-owned enterprise, any candidate or official of any political party, any member of any royal family, any official of a public international organization, any relative of any of the above, and any business owned or controlled by any of the above. The only exception to this prohibition is when the Legal Department has advised you that nominal gifts, meals or sponsored travel are appropriate for a certain government official or category of government official.

The bribery laws also prohibit offering, giving, soliciting or receiving anything of value in any commercial transaction, regardless of whether a government official is involved, if the thing of value could or does affect someone’s independent business judgment. Any such gift or payment is prohibited unless authorized under this policy as set forth above.

If you are asked to engage in any conduct that is prohibited or may appear to be prohibited above, you should immediately disclose the circumstances to your supervisor and the Chief Compliance Officer.

Employees

Fair Treatment

The Company recognizes that its greatest competitive strength lies in the talent and ability of its employees. Employees are expected to hold themselves accountable to the highest professional standards, with mutual respect being the basis of all professional relationships.

The Company is specifically committed to the goal of equality of opportunity in employment. To further this goal, we will:

- Provide equal opportunity for employment and advancement on the basis of ability and aptitude without regard to race, color, religion, sex, national origin, age, disability, sexual orientation or veteran status; and
- Recognize and compensate employees based on their performance and take affirmative action with respect to all employment practices affecting minorities, females, veterans and individuals with disabilities.

We also will provide benefits without regard to race, color, religion, sex, national origin, age, disability, sexual orientation or veteran status.

All employees deserve to be treated fairly and with respect. Employees must avoid jokes, actions or statements about individuals or groups that may be interpreted as discriminatory or harassing, that make people uncomfortable or that stereotype any group of individuals – especially those that relate to race, color, religion, sex, national origin, age, disability, sexual orientation or veteran status. All such conduct, whether it occurs at work or at outside activities, is strictly prohibited. Supervisors and managers have a special responsibility to consistently follow and apply the Company's policies regarding fair treatment and to ensure that their subordinates treat each other with respect. All employees are prohibited from engaging in any conduct that creates an intimidating, hostile or offensive work environment.

If you believe you or anyone else has been treated unfairly or disrespectfully because of race, color, religion, sex, national origin, age, disability, sexual orientation or veteran status, you should advise your Human Resources Manager, another member of local management or the Chief Compliance Officer.

Q: I think my supervisor didn't promote me because of my age. What should I do?

A: If you believe that you or another employee is discriminated against for age or any other reason that is protected by law (race, color, religion, sex, national origin, disability, sexual orientation or veteran status), you should immediately discuss this with your Human Resources Manager, another member of local management or the Chief Compliance Officer.

Q: A colleague of mine is upset that a co-worker is telling off-color jokes, but she is afraid to speak up. What should I do?

A: Your colleague should tell her co-worker that these jokes offend her and ask them to stop. If she is afraid to do this, or if the jokes continue, she should report this to her supervisor, her Human Resources Manager, another member of local management or the Chief Compliance Officer. If your co-worker doesn't take action, then you should report what your colleague has told you – even if you don't have all the facts or haven't observed this yourself. It is important to stop offensive and improper behavior before it becomes severe or pervasive. Failure to report actual or suspected harassment violates this Code and may make it difficult for the Company to take effective corrective action.

Health and Safety

The Company has established and remains committed to maintaining health and safety programs to protect and prevent illness or injury to employees and others who are on our property. These programs, including our annual training programs, are structured to comply with and exceed applicable laws and regulations. They show the Company's commitment to maintain its reputation as an industry leader in health and safety. This commitment includes our commitment to:

- Show continuous improvement in meeting our goals;
- Recognize and eliminate unacceptable risk to employees' health and safety;
- Learn what safety responsibilities apply to our jobs and how to follow them without fail;
- Take immediate steps to correct any safety equipment that is not working properly;

- Use appropriate personal protective equipment; and
- Never bypass an established safety practice or procedure or disconnect or disable any monitoring or safety equipment.

Of course, this list is not exhaustive.

Safety is everyone's responsibility, and employees are expected to support the Company's commitment to health and safety by working in compliance with both the letter and the spirit of health and safety laws, this Code and Company policies. You have an individual responsibility for safety and should report any health or safety concerns to your supervisor, Safety Manager or the Chief Compliance Officer.

Q: Someone told me to disable a safety device that slows down production. What should I do?

A: Employees should never bypass, disconnect or disable any safety device or monitoring equipment. Doing so may violate the law or expose you or others to accident or injury. Safety is an absolute commitment that should not be compromised for any reason.

Security Procedures

The Company is committed to providing a secure workplace. Any violence, threat of violence, intimidation, harassment or similar conduct directed toward any employee or other individual in the workplace is strictly prohibited and will not be tolerated.

The Company also prohibits the possession of guns or any other weapons while in Company facilities or when engaged in Company business.

Employees and other persons on Company premises may be subject to inspection of their personal property (including, but not limited to, briefcases, purses, packages and bags), computers, desks, lockers and Company vehicles.

Substance Abuse

Our work requires clear thinking and the ability to react quickly. Being under the influence of drugs and alcohol or improperly using medication results in poor job performance and can compromise our and our co-workers' safety and well-being.

We will not use, sell, purchase or possess any illegal drug; and we will not abuse alcohol or legal or prescribed drugs when on Company premises or conducting Company business. Please refer to the drug and alcohol testing policy applicable to your location.

Q: I think my co-worker came to work drunk. What should I do?

A: You are required to report your suspicion to your Human Resources Manager, another member of local management or the Chief Compliance Officer. We have a strict policy regarding the use of illegal drugs and abuse of alcohol and other controlled substances that affect the workplace. By reporting your suspicions now, you keep our work environment safe for yourself and others. (Note that, while reporting to work under the influence of alcohol or drugs may result in immediate termination, the Company provides treatment and support for employees who seek assistance with substance abuse problems before being selected for drug or alcohol testing, whether randomly, post-accident or for reasonable suspicion. These programs are provided through our Employee Assistance Program or EAP. For details about this program, contact the EAP directly or ask your Human Resources Department.)

Relations with the Public

The Environment

The Company has a long-standing commitment to be a good corporate citizen in the communities in which it operates. We are committed to protecting the environment in our operating communities. Our programs are structured to comply with and exceed applicable laws and regulations. These programs demonstrate the Company's commitment to maintain its reputation as an industry leader in mine reclamation and environmental stewardship.

Employees are expected to support the Company's commitment to the environment by operating in full compliance with both the letter and the spirit of environmental laws and Company policies and by actively encouraging care and regard for the environment.

We will continue to develop environmental management programs that meet or exceed the highest standards of compliance. From proper waste handling procedures to stewardship of the land and water resources under our care, we will strive to set the benchmark for environmental performance in the coal industry. In this regard, it is our policy to:

- Show continuous improvement in meeting our goals;

- Regularly evaluate the generation of waste materials and implement pollution prevention programs that minimize waste and ensure against the release of hazardous substances into the environment;
- Learn what environmental responsibilities apply to our jobs and how to follow them without fail;
- Take immediate steps to correct any malfunctioning of waste monitoring, control or treatment equipment;
- Never dispose of waste unless we know the disposal is in compliance with regulations and our environmental standards; and
- Fully comply with all state and federal permit requirements.

Of course, this list is not all-inclusive.

Reports of any actual or potential environmental problems, violations of laws or policies or any questions about employees' responsibilities or Company policies should be directed to your supervisor or the Chief Compliance Officer.

Political Activities and Contributions, Lobbying, and Gifts

The Company encourages voluntary political activity and employees' participation in politics where appropriate and respects the rights of its employees to support issues and candidates of their choosing. All employee and Company political activities shall be conducted in accordance with applicable laws and regulations. The purpose of this section is to provide guidance to Company employees to ensure compliance with campaign finance, government ethics, and lobbying laws.

I. Political Activities and Contributions

Political activities, such as volunteer work or fundraising on behalf of a political campaign, must occur strictly in an individual and private capacity and not on the Company's behalf without its prior request or approval. Employees may not conduct personal political activity on Company time or use Company property or equipment for this purpose; and no employee may ever force, direct or in any way require another employee to make a political contribution.

Eligible employees may contribute to the Company's federal political action committee ("ArchPAC"), but all employee contributions must be strictly voluntary. ArchPAC shall file periodic disclosure reports with the Federal Election Commission ("FEC") and these filings are publicly available at www.fec.gov. ArchPAC may engage in activities that

trigger additional registration and reporting requirements under state law. Any ArchPAC activity in connection with state elections shall be conducted in accordance with state law. The Company may also choose to establish one or more separate PACs registered with a state authority.

Participation or nonparticipation in ArchPAC shall have no effect on a Company employee's employment, promotion or compensation. Company employees may also make lawful voluntary personal political contributions to other political candidates and/or committees.

Because federal law prohibits corporate contributions to federal candidate committees and other kinds of federal political committees, the Company, itself, will not make any direct or in-kind contributions to federal candidates or federal political committees. No direct or in-kind contributions to state or local candidate committees or other types of state or local political committees may be made by the Company or on the Company's behalf unless the contribution has been specifically authorized by the Company's Chief Compliance Officer. Political contributions can include, among other things, buying tickets to political events, providing Company goods or services, utilizing the services of Company personnel during working hours or payment for advertisements and other campaign expenses. The Company shall not reimburse any political contributions, and political contributions should never be submitted to the Company for reimbursement on an expense report.

II. Lobbying

A. Federal Lobbying

If you engage in any federal lobbying activities on the Company's behalf, you must provide information regarding your activities to the Legal Department so that it can include your efforts in disclosure reports the Company is required to file.

Federal lobbying activities include lobbying contacts with "covered officials" regarding the modification or adoption of federal legislation, executive orders, agency rules and regulations or the administration or execution of a federal program or policy, including the negotiation, award or administration (excluding ministerial tasks) of a grant, loan, permit or license. Any activities in furtherance or support of lobbying contacts (for example, background work, research preparation and strategizing or coordination done in connection with a lobbying contact) also constitute federal lobbying activity.

In addition, the Company is required to identify and report payments (including amounts, dates, payees and – if applicable – honorees) made by the Company, its charitable Foundation or by ArchPAC that fall within the following categories in a semiannual reporting period:

- 1) contributions with an aggregate value of \$200 or more per recipient to federal candidates or officeholders, federal leadership PACs or the federal accounts of political party committees;
- 2) contributions to help fund event costs if any “covered officials” (meaning members of the U.S. Congress or federal Executive Branch political appointees but not career federal employees) receive a special award, honor or recognition;
- 3) payments to an entity named for or in recognition of a covered official;
- 4) payments to an entity that a covered official establishes, finances, maintains or controls;
- 5) payments for events held by or in a covered official’s name (not including events at which a covered official is an honorary co-host); and
- 6) payments to presidential library foundations or presidential inaugural committees.

Because of these disclosure requirements, employees must identify corporate payments that may be reportable, and must preserve materials relating to the payment in accordance with the Company’s Records Management Policy.

B. State or Local Lobbying

Please contact the Legal Department for guidance prior to engaging in activities that may qualify as lobbying activities at the state or local level. Depending on applicable state or local law, state lobbying activities may include contacting officials, providing gifts, or grassroots lobbying efforts intended to influence public opinion. Registration may be required before lobbying contacts are made.

III. Gifts

A. Members of the U.S. Congress and U.S. Congressional Staff

Under federal law, U.S. House Members, U.S. Senators, and Congressional staff are prohibited from accepting gifts of any value from an entity such as the Company that

retains or employs federal lobbyists. This congressional gift ban is not limited to the Company's lobbyists but rather extends to every person employed by the Company. The Company is also required to certify that its employees are familiar with the U.S. House and U.S. Senate gift and travel rules and have not knowingly violated them.

Based on these congressional gift rules and restrictions, no Company employee may provide anything of value to a U.S. House Member, U.S. Senator or any congressional staff without prior approval from the Legal Department.

B. Federal Executive Branch Officials

No Company employee should provide anything of value to federal Executive Branch officials or employees without prior approval from the Legal Department.

C. State and Local Officials

The gift rules and restrictions that apply to state and local government officials and employees vary widely by jurisdiction. No Company employee should provide anything of value to any state or local government official or employee without prior approval from the Legal Department.

Q: I volunteer for a local candidate for the U.S. Senate. May I use the copy machine to make fliers for the candidate's campaign?

A: No. You may not use Company time or resources to support political activities.

Q: One of the Company's lobbyists asked me to provide information to use in his discussions with federal governmental officials about a proposed federal law. Is that considered lobbying?

A: Gathering information for the Company's lobbyists regarding proposed laws or policies may be considered activities in support of lobbying, so you must discuss this with the Legal Department so that it can determine if it should include your efforts in the disclosure reports it files.

Q: I work for the Company but I am not a registered lobbyist. I am invited to lunch by a congressional staffer after a meeting. Can I pick up the tab?

A: No, the payment for the congressional staffer's meal would constitute a prohibited gift.

Third-Party Inquiries

If you get calls from the press, investment analysts, stockbrokers or shareholders looking for information about the Company, you should politely decline to comment, and direct the call to the Company's Vice President of Investor Relations or Director of Corporate Communications, toll-free 800-238-7398.

No Limitations

This Code sets forth the key guiding principles of business conduct that the Company follows and expects its employees to follow. This Code, however, does not capture all laws, rules, regulations and Company policies that may be applicable to the Company and its employees and does not cover every issue that may arise or every situation in which ethical decisions must be made. Therefore, please refer to the Company's other guidelines and policies for information on matters not addressed in this Code.



To report a possible code violation you can:

- Call toll-free 800-238-7398
- Mail to:
Chief Compliance Officer
Arch Coal, Inc.
CityPlace One
St. Louis, MO 63141
- Call the Compliance Hotline, toll-free 866-519-1881
- or email compliance@archcoal.com.

Arch Coal, Inc.
One CityPlace Dr., Suite 300
St. Louis, MO 63141
314.994.2700

Learn more about how our
values drive progress:
responsible.archcoal.com
youtube.com/archcoalcares
archcoal.com

