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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): December 11, 2008 (December 5, 2008)

Arch Coal, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

1-13105
(Commission File Number)

43-0921172
(I.R.S. Employer Identification No.)

CityPlace One
One CityPlace Drive, Suite 300
St. Louis, Missouri 63141
(Address, including zip code, of principal executive offices)

Registrant's telephone number, including area code: (314) 994-2700

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors and Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 5, 2008, the Board of Directors of Arch Coal, Inc. (the “Company”) approved amendments to various Company-sponsored non-qualified deferred compensation plans and agreements, including the Arch Coal, Inc. 1997 Stock Incentive Plan (the “Stock Incentive Plan”), the Arch Coal, Inc. Supplemental Retirement Plan (the “SERP”), the Arch Coal, Inc. Deferred Compensation Plan (the “Deferred Compensation Plan”) and the Arch Coal, Inc. Outside Directors’ Deferred Compensation Plan (the “Directors’ Plan” and, together with the Stock Incentive Plan, the SERP and the Deferred Compensation Plan, the “Plans”).

The principal reason for the changes to the Plans was to achieve compliance with Section 409A (“Section 409A”) of the Internal Revenue Code of 1986, as amended, and the regulations and other guidance promulgated thereunder. Section 409A, enacted in 2004, governs “nonqualified deferred compensation” arrangements and imposes an additional tax and penalties on service providers (including employees and directors) if a covered arrangement does not comply with Section 409A. The changes to the Plans are intended to reflect the requirements of Section 409A particularly with respect to events triggering distributions, deferral elections, payment elections and the timing of payments. The changes reflected in the Plans will not result in any material incremental cost to the Company, and none of the changes will affect the amount of benefits to which a participant is or may be entitled under the Plans.

Descriptions of the SERP, the Deferred Compensation Plan and the Directors’ Plan (prior to the above-described amendments) are set forth in the proxy statement with respect to the Company’s 2008 annual meeting of stockholders held on April 24, 2008. A description of the Stock Incentive Plan (prior to the above-described amendments) is set forth in the proxy statement with respect to the Company’s 2002 annual meeting of stockholders held on April 25, 2002. The foregoing description of the changes to the Plans is not complete and is qualified by reference to the full texts of the amended Plans filed as exhibits hereto and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are attached hereto and filed herewith.

Exhibit No.	Description
10.1*	Arch Coal, Inc. 1997 Stock Incentive Plan (as amended and restated on December 5, 2008).
10.2*	Arch Coal, Inc. Supplemental Retirement Plan.
10.3*	Arch Coal, Inc. Deferred Compensation Plan.
10.4*	Arch Coal, Inc. Outside Directors’ Deferred Compensation Plan.

* Denotes management contract or compensatory plan arrangements.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: December 11, 2008

Arch Coal, Inc.

By: /s/ Robert G. Jones

Robert G. Jones
Senior Vice President, General Counsel and
Secretary

Exhibit Index

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ARCH COAL, INC.
1997 STOCK INCENTIVE PLAN
(As Amended and Restated on December 5th, 2008)

SECTION 1
Statement of Purpose

- 1.1. The Arch Coal, Inc. 1997 Stock Incentive Plan (the “Plan”) has been established by Arch Coal, Inc. in order to:
- (a) attract and retain executive, managerial and other salaried employees;
 - (b) motivate participating employees, by means of appropriate incentives, to achieve long-range goals;
 - (c) provide incentive compensation opportunities that are competitive with those of other major corporations; and
 - (d) further identify a Participant’s interests with those of the Company’s other stockholders through compensation based on the Company’s common stock; thereby promoting the long-term financial interest of the Company and its Related Companies, including the growth in value of the Company’s equity and enhancement of long-term stockholder return.

SECTION 2
Definitions

- 2.1. Unless the context indicates otherwise, the following terms shall have the meaning set forth below:
- (a) **Acquiring Corporation.** The term “Acquiring Corporation” shall mean the surviving, continuing successor or purchasing corporation in an acquisition or merger with the Company in which the Company is not the surviving corporation.
 - (b) **Award.** The term “Award” shall mean any award or benefit granted to any Participant under the Plan, including, without limitation, the grant of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Stock, Performance Units, Merit Awards, Phantom Stock Awards and Stock acquired through purchase under Section 12.
 - (c) **Award Agreement.** The term “Award Agreement” shall mean any written agreement, contract, or other instrument or document evidencing any Award, which shall not become effective until executed or acknowledged by a Participant.
 - (d) **Board.** The term “Board” shall mean the Board of Directors of the Company acting as such but shall not include the Committee or other committees of the Board acting on behalf of the Board.
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- (e) **Cause.** The term “Cause” shall mean (a) the continued failure by the Participant to substantially perform his or her duties with the Company (other than any such failure resulting from his or her incapacity due to physical or mental illness), or (b) the engaging by the Participant in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise.
- (f) **Change in Control.** A “Change in Control” shall mean a change in control of the Company of a nature that would be required to be reported (assuming such event has not been “previously reported”) in response to Item 1(a) of a Current Report on Form 8-K pursuant to Section 13 or 15(d) of the Exchange Act as in effect on the date this Plan is approved by the shareholders of the Company; provided that, without limitation, such a Change in Control shall be deemed to have occurred (1) upon the approval of the Board (or if approval of the Board is not required as a matter of law, the shareholders of the Company) of (A) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of Stock would be converted into cash, securities or other property, other than a merger in which the holders of the Stock immediately prior to the merger will have more than 50% of the ownership of common stock of the surviving corporation immediately after the merger, (B) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company, or (C) adoption of any plan or proposal for the liquidation or dissolution of the Company, or (2) when any “person” (as defined in Section 13(d) of the Exchange Act), other than a Significant Stockholder, or any subsidiary of the Company or employee benefit plan or trust maintained by the Company or any of its subsidiaries, shall become the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of more than 20% of the Stock outstanding at the time, without the prior approval of the Board.
- (g) **Code.** The term “Code” means the Internal Revenue Code of 1986, as amended. A reference to any provision of the Code shall include reference to any successor provision of the Code.
- (h) **Committee.** The term “Committee” means the Personnel & Compensation Committee of the Board.
- (i) **Company.** The term “Company” means Arch Coal, Inc., a Delaware corporation.
- (j) **Date of Termination.** A Participant’s “Date of Termination” shall be the date on which his or her employment with all Employer and Related Companies terminates for any reason; provided that, for purposes of this Plan only, a Participant’s employment shall not be considered terminated by reason of the Participant’s leave of absence from an Employer or a Related Company that is approved in advance by the Participant’s Employer. Notwithstanding the above, to the extent any Award constitutes nonqualified deferred compensation which is subject to the limitations and restrictions of Code Section 409A, a Participant’s “Date of Termination” shall be the date he or she has a separation from service as determined in accordance with

the rules promulgated under Code Section 409A and the resolutions of the Board regarding such determination.

- (k) **Disability.** Except as otherwise provided by the Committee, a Participant shall be considered to have a “Disability” during the period in which he or she is unable, by reason of a medically determined physical or mental impairment, to carry out his or her duties with an Employer, which condition, in the discretion of the Committee, shall generally be an event which qualifies as a “long term disability” under applicable long term disability benefit programs of the Company.
- (l) **Employee.** The term “Employee” shall mean a person with an employment relationship with an Employer.
- (m) **Employer.** The Company and each Subsidiary which, with the consent of the Company, participates in the Plan for the benefit of its eligible Employees are referred to collectively as the “Employers” and individually as an “Employer”.
- (n) **Exchange Act.** The term “Exchange Act” means the Securities Exchange Act of 1934, as amended.
- (o) **Exercise Price.** The term “Exercise Price” means, with respect to each share of Stock subject to an Option, the price fixed by the Committee in the applicable Award Agreement at which such share may be purchased from the Company pursuant to the exercise of such Option, which price at no time may be less than 100% of the Fair Market Value of the Stock on the date the Option is granted, except as permitted and contemplated by Section 21 of the Plan.
- (p) **Fair Market Value.** The “Fair Market Value” of the Stock on any given date shall be the last sale price, regular way, or, in case no such sale takes place on such date, the average of the closing bid and asked prices, regular way, of the Stock, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the NYSE or, if the Stock is not listed or admitted to trading on the NYSE, as reported in the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which the Stock is listed or admitted to trading or, if the Stock is not listed or admitted to trading on any national securities exchange, the last quoted sale price on such date or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market on such date, as reported by the National Association of Securities Dealers, Inc. Automated Quotations System or such other system then in use, or, if on any such date the Stock is not quoted by any such organization, the average of the closing bid and asked prices on such date as furnished by a professional market maker making a market in the Stock. If the Stock is not publicly held or so listed or publicly traded, “Fair Market Value” per share of Stock shall mean the Fair Market Value per share as reasonably determined by the Committee.

- (q) **Immediate Family.** With respect to a particular Participant, the term “Immediate Family” shall mean, whether through consanguinity or adoptive relationships, the Participant’s spouse, children, stepchildren, siblings and grandchildren.
- (r) **Incentive Stock Option.** The term “Incentive Stock Option” shall mean any Incentive Stock Option granted under the Plan.
- (s) **Merit Award.** The term “Merit Award” shall mean any Award granted under the Plan other than Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock, Restricted Stock Units, or Stock Appreciation Rights.
- (t) **Non-Employee Director.** The term “Non-Employee Director” shall mean a person who qualifies as such under Rule 16b-3(b)(3) under the Exchange Act or any successor provision, and who also qualifies as an “outside director” under Section 162(m) of the Code.
- (u) **Non-Qualified Stock Option.** The term “Non-qualified Stock Option” shall mean any Non-Qualified Stock Option granted under the Plan.
- (v) **NYSE.** The term “NYSE” refers to the New York Stock Exchange, Inc.
- (w) **Option.** The term “Option” shall mean any Incentive Stock Option or Non-Qualified Stock Option granted under the Plan.
- (x) **Participant.** The term “Participant” means an Employee who has been granted an award under the Plan.
- (y) **Performance-Based Compensation.** The term “Performance-Based Compensation” shall have the meaning ascribed to it in Section 162(m)(4)(C) of the Code.
- (z) **Performance Goals.** The term “Performance Goals” means the goals established by the Committee under an Award which, if met, will entitle the Participant to payment under such Award and will qualify such payment as “Performance-Based Compensation” as that term is used in Code Section 162(m)(4)(C). Such goals will be based upon such business criteria as the Committee may from time to time determine.
- (aa) **Performance Period.** The term “Performance Period” shall mean the period over which applicable performance is to be measured.
- (bb) **Performance Stock.** The term “Performance Stock” shall have the meaning ascribed to it in Section 10 of the Plan.
- (cc) **Performance Units.** The term “Performance Units” shall have the meaning ascribed to it in Section 11 of the Plan.

- (dd) **Phantom Stock Award.** The term “Phantom Stock Award” shall mean any Phantom Stock Award granted under the Plan.
- (ee) **Plan.** The term “Plan” shall mean this Arch Coal, Inc. 1997 Stock Incentive Plan as the same may be from time to time amended or revised.
- (ff) **Related Companies.** The term “Related Companies” means any Significant Stockholder and their subsidiaries; and any other company during any period in which it is a Subsidiary or a division of the Company, including any entity acquired by, or merged with or into, the Company or a Subsidiary.
- (gg) **Restricted Period.** The term “Restricted Period” shall mean the period of time for which shares of Restricted Stock or Restricted Stock Units are subject to forfeiture pursuant to the Plan or during which Options and Stock Appreciation Rights are not exercisable.
- (hh) **Restricted Stock.** The term “Restricted Stock” shall have the meaning ascribed to it in Section 8 of the Plan.
- (ii) **Restricted Stock Units.** The term “Restricted Stock Units” shall have the meaning ascribed to it in Section 9 of the Plan.
- (jj) **Retirement.** “Retirement” of a Participant shall occur when a Participant’s Date of Termination occurs on or after the date on which the Participant attains age 55 and such Participant has not been terminated for Cause.
- (kk) **SEC.** “SEC” means the Securities and Exchange Commission.
- (ll) **Significant Stockholder.** The term “Significant Stockholder” shall mean any shareholder of the Company who, immediately prior to the Effective Date, owned more than 5% of the common stock of the Company.
- (mm) **Stock.** The term “Stock” shall mean shares of common stock, \$.01 par value per share, of the Company.
- (nn) **Stock Appreciation Rights.** The term “Stock Appreciation Rights” shall mean any Stock Appreciation Right granted under the Plan.
- (oo) **Subsidiary.** The term “Subsidiary” shall mean any present or future subsidiary corporation of the Company within the meaning of Code Section 424(f).
- (pp) **Tax Date.** The term “Tax Date” shall mean the date a withholding tax obligation arises with respect to an Award.

SECTION 3
Eligibility

- 3.1. Subject to the discretion of the Committee and the terms and conditions of the Plan, the Committee shall determine and designate from time to time, the Employees or other persons as contemplated by Section 21 of the Plan who will be granted one or more Awards under the Plan.

SECTION 4
Operation and Administration

- 4.1. The Plan has been adopted by the Board and approved by the shareholders of the Company. To the extent required pursuant to Section 162(m) of the Code, the Plan shall be resubmitted to shareholders for reapproval no later than at the first shareholders' meeting that occurs during the fifth year following the year of the initial approval and thereafter at five year intervals, in each case, as may be required to qualify any Award hereunder as Performance-Based Compensation. The Plan shall be unlimited in duration and remain in effect until termination by the Board; provided however, that no Incentive Stock Option may be granted under the Plan after April 1, 2007.
- 4.2. Plenary authority to administer, manage and control the operation and administration of the Plan shall be vested in the Committee, which authority shall include, but shall not be limited to:
- (a) Subject to the provisions of the Plan, the authority and discretion to select Employees to receive Awards, to determine the time or times of receipt, to determine the types of Awards and the number of shares covered by the Awards, to establish the terms, conditions, performance criteria, restrictions, and other provisions of such Awards. In making such Award determinations, the Committee may take into account the nature of services rendered by the respective Employee, his or her present and potential contribution to the Company's success and such other factors as the Committee deems relevant.
 - (b) Subject to the provisions of the Plan, the authority and discretion to determine the extent to which Awards under the Plan will be structured to conform to the requirements applicable to Performance-Based Compensation as described in Code Section 162(m), and to take such action, establish such procedures, and impose such restrictions at the time such awards are granted as the Committee determines to be necessary or appropriate to conform to such requirements.
 - (c) The authority and discretion to interpret the Plan and the Awards granted under the Plan, to establish, amend and rescind any rules and regulations relating to the Plan, to determine the terms and provisions of any agreements made pursuant to the Plan, to make all other determinations that it deems necessary or advisable for the administration of the Plan and to correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Award, in each case, in the manner and to the extent the Committee deems necessary or advisable to carry it into effect.

- 4.3. Any interpretation of the Plan by the Committee and any decision made by it under the Plan shall be final and binding on all persons. The express grant in the Plan of any specific power to the Committee shall not be construed as limiting any power or authority of the Committee. Provided, however, that except as otherwise permitted under Treasury Regulation 1.162-27(e)(2)(iii)(C), the Committee may not increase any Award once made if payment under such Award is intended to constitute Performance-Based Compensation.
- 4.4. The Committee may only act at a meeting by unanimous consent if comprised of two members, and otherwise by a majority of its members. Any determination of the Committee may be made without a meeting by the unanimous written consent of its members. In addition, the Committee may authorize one or more of its members or any officer of an Employer to execute and deliver documents and perform other administrative acts pursuant to the Plan.
- 4.5. No member or authorized delegate of the Committee shall be liable to any person for any action taken or omitted in connection with the administration of the Plan unless attributable to his or her own fraud or gross misconduct. The Committee, the individual members thereof, and persons acting as the authorized delegates of the Committee under the Plan, shall be indemnified by the Employers against any and all liabilities, losses, costs and expenses (including legal fees and expenses) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Committee or its members or authorized delegates by reason of the performance of any action pursuant to the Plan if the Committee or its members or authorized delegates did not act in willful violation of the law or regulation under which such liability, loss, cost or expense arises. This indemnification shall not duplicate but may supplement any coverage available under any applicable insurance policy, contract with the indemnitee or the Company's By-laws.
- 4.6. Notwithstanding any other provision of the Plan to the contrary, but without giving effect to Awards made pursuant to Section 21, the maximum number of shares of Stock with respect to which any Participant may receive any Award of (i) an Option or a Stock Appreciation Right under the Plan during any calendar year is 300,000; (ii) the maximum number of shares with respect to which any Participant may receive Awards of Restricted Stock or Restricted Stock Units during any calendar year is 100,000; (iii) the maximum number of shares with respect to which any Participant may receive Merit Awards during any calendar year is 100,000; and (iv) the maximum number of shares with respect to which any Participant may receive other Awards during any calendar year is 100,000 (including the Awards described in Sections 4.6(i) through 4.6(iii), which may be further granted pursuant to this Section 4.6(iv)).
- 4.7. To the extent that the Committee determines that it is necessary or desirable to conform any Awards under the Plan with the requirements applicable to "Performance-Based Compensation", as that term is used in Code Section 162(m)(4)(C), it may, at or prior to the time an Award is granted, establish Performance Goals for a particular Performance Period. If the Committee establishes Performance Goals for a Performance Period, it may approve a payment from that particular Performance Period upon attainment of the Performance Goal.

SECTION 5
Shares Available Under the Plan

- 5.1. The shares of Stock with respect to which Awards may be made under the Plan shall be shares of currently authorized but unissued or treasury shares acquired by the Company, including shares purchased in the open market or in private transactions. Subject to the provisions of Section 16, the total number of shares of Stock available for grant of Awards shall not exceed nine million (9,000,000) shares of Stock. Except as otherwise provided herein, if any Award shall expire or terminate for any reason without having been exercised in full, the unissued shares of Stock subject thereto (whether or not cash or other consideration is paid in respect of such Award) shall again be available for the purposes of the Plan. Any shares of Stock which are used as full or partial payment to the Company upon exercise of an Award shall be available for purposes of the Plan.

SECTION 6
Options

- 6.1. The grant of an "Option" under this Section 6 entitles the Participant to purchase shares of Stock at a price fixed at the time the Option is granted, or at a price determined under a method established at the time the Option is granted, subject to the terms of this Section 6. Options granted under this Section 6 may be either Incentive Stock Options or Non-Qualified Stock Options, and subject to Subsection 6.6 and Sections 15 and 20, shall not be exercisable for at least six months from the date of grant, as determined in the discretion of the Committee. An "Incentive Stock Option" is an Option that is intended to satisfy the requirements applicable to an "incentive stock option" described in Section 422(b) of the Code. A "Non-Qualified Option" is an Option that is not intended to be an "incentive stock option" as that term is described in Section 422(b) of the Code.
- 6.2. The Committee shall designate the Employees to whom Options are to be granted under this Section 6 and shall determine the number of shares of Stock to be subject to each such Option. To the extent that the aggregate Fair Market Value of Stock with respect to which Incentive Stock Options are exercisable for the first time by any individual during any calendar year (under all plans of the Company and all Related Companies) exceeds \$100,000, such Options shall be treated as Non-Qualified Stock Options, but only to the extent required by Section 422 of the Code.
- 6.3. The determination and payment of the purchase price of a share of Stock under each Option granted under this Section shall be subject to the following terms of this Subsection 6.3:
- (a) The purchase price shall be established by the Committee or shall be determined by a method established by the Committee at the time the Option is granted; provided, however, that in no event shall the price per share be less than the Fair Market Value per share on the date of the grant except as otherwise permitted by Section 21 of the Plan;
 - (b) The full purchase price of each share of Stock purchased upon the exercise of any Option shall be paid at the time of such exercise and, as soon as practicable

thereafter, a certificate representing the shares so purchased shall be delivered to the person entitled thereto; and

- (c) The purchase price shall be paid either in cash, in shares of Stock (valued at Fair Market Value as of the day of exercise), through a combination of cash and Stock (so valued) or through such cashless exercise arrangement as may be approved by the Committee and established by the Company, provided that any shares of Stock used for payment shall have been owned by the Participant for at least six (6) months.
- 6.4. Except as otherwise expressly provided in the Plan, an Option granted under this Section 6 shall be exercisable in accordance with the following terms of this Subsection 6.4.
- (a) The terms and conditions relating to exercise of an Option shall be established by the Committee and shall be set forth in the applicable Award Agreement, and may include, without limitation, conditions relating to completion of a specified period of service, achievement of performance standards prior to exercise of the Option, or achievement of Stock ownership objectives by the Participant. No Option may be exercised by a Participant after the expiration date applicable to that Option.
 - (b) The exercise of an Option will result in the surrender of the corresponding rights under a tandem Stock Appreciation Right, if any.
- 6.5. The exercise period of any Option shall be determined by the Committee and shall be set forth in the applicable Award Agreement but the term of any Option shall not extend more than ten years after the date of grant.

SECTION 7

Stock Appreciation Rights

- 7.1. Subject to the terms of this Section 7, a Stock Appreciation Right granted under the Plan entitles the Participant to receive, in cash or Stock (as determined in accordance with Subsection 7.4), value equal to all or a portion of the excess of: (a) the Fair Market Value of a specified number of shares of Stock at the time of exercise; over (b) a specified price which shall not be less than 100% of the Fair Market Value of the Stock at the time the Stock Appreciation Right is granted, or, if granted in tandem with an Option, the exercise price with respect to shares under the tandem Option.
- 7.2. Subject to the provisions of the Plan, the Committee shall designate the Employees to whom Stock Appreciation Rights are to be granted under the Plan, shall determine the exercise price or a method by which the price shall be established with respect to each such Stock Appreciation Right, and shall determine the number of shares of Stock on which each Stock Appreciation Right is based. A Stock Appreciation Right may be granted in connection with all or any portion of a previously or contemporaneously granted Option or not in connection with an Option. If a Stock Appreciation Right is granted in connection with an Option then, in the discretion of the Committee, the Stock Appreciation Right may, but need not, be granted in tandem with the Option.

- 7.3. The exercise of Stock Appreciation Rights shall be subject to the following:
- (a) If a Stock Appreciation Right is not in tandem with an Option, then the Stock Appreciation Right shall be exercisable in accordance with the terms established by the Committee in connection with such rights and as set forth in the applicable Award Agreement but, subject to Sections 15 and 20, shall not be exercisable for six months from the date of grant and the term of any Stock Appreciation Right shall not extend more than ten years from the date of grant; and may include, without limitation, conditions relating to completion of a specified period of service, achievement of performance standards prior to exercise of the Stock Appreciation Rights, or achievement of objectives relating to Stock ownership by the Participant; and
 - (b) If a Stock Appreciation Right is in tandem with an Option, then the Stock Appreciation Right shall be exercisable only at the time the tandem Option is exercisable and the exercise of the Stock Appreciation Right will result in the surrender of the corresponding rights under the tandem Option.
- 7.4. Upon the exercise of a Stock Appreciation Right, the value to be distributed to the Participant, in accordance with Subsection 7.1, shall be distributed in shares of Stock (valued at their Fair Market Value at the time of exercise), in cash, or in a combination of Stock or cash, in the discretion of the Committee.

SECTION 8
Restricted Stock

- 8.1. Subject to the terms of this Section 8, Restricted Stock Awards under the Plan are grants of Stock to Participants, the vesting of which is subject to certain conditions established by the Committee and set forth in the applicable Award Agreement, with some or all of those conditions relating to events (such as continued employment or satisfaction of performance criteria) occurring after the date of the grant of the Award, provided, however, that to the extent that vesting of a Restricted Stock Award is contingent on continued employment, the required employment period shall generally (unless otherwise determined by the Committee) not be less than one year following the grant of the Award unless such grant is in substitution for an Award under this Plan or a predecessor plan of the Company or a Related Company. To the extent, if any, required by the General Corporation Law of the State of Delaware, a Participant's receipt of an Award of newly issued shares of Restricted Stock shall be made subject to payment by the Participant of an amount equal to the aggregate par value of such newly issued shares of Stock.
- 8.2. The Committee shall designate the Employees to whom Restricted Stock is to be granted, and the number of shares of Stock that are subject to each such Award. The Award of shares under this Section 8 may, but need not, be made in conjunction with a cash-based incentive compensation program maintained by the Company, and may, but need not, be in lieu of cash otherwise awardable under such program.

8.3. Shares of Restricted Stock granted to Participants under the Plan shall be subject to the following terms and conditions:

- (a) Restricted Stock granted to Participants may not be sold, assigned, transferred, pledged or otherwise encumbered during the Restricted Period;
- (b) The Participant as owner of such shares shall have all the rights of a stockholder, including but not limited to the right to vote such shares and, except as otherwise provided in the Award Agreement or as provided by the Plan, the right to receive all dividends and other distributions paid on such shares.
- (c) Each certificate issued in respect of shares of Restricted Stock granted under the Plan shall be registered in the name of the Participant but, at the discretion of the Committee, each such certificate may be deposited with the Company with a stock power endorsed in blank or in a bank designated by the Committee;
- (d) The Committee may award Restricted Stock as Performance-Based Compensation, which shall be Restricted Stock that will be earned (or for which earning is accelerated) upon the achievement of Performance Goals established by the Committee and the Committee may specify the number of shares that will be earned upon achievement of different levels of performance; except as otherwise provided by the Committee, achievement of maximum targets during the Performance Period shall result in the Participant's earning of the full amount of Restricted Stock comprising such Performance-Based Compensation and, in the discretion of the Committee, achievement of the minimum target but less than the maximum target, the Committee may result in the Participant's earning of a portion of the Award; and
- (e) Except as otherwise provided by the Committee and set forth in the applicable Award Agreement, any Restricted Stock which is not earned by the end of a Restricted Period or Performance Period, as the case may be, shall be forfeited. If a Participant's Date of Termination occurs prior to the end of a Restricted Period or Performance Period, as the case may be, the Committee may determine, in its sole discretion, that the Participant will be entitled to settlement of all or any portion of the Restricted Stock as to which he or she would otherwise be eligible, and may accelerate the determination of the value and settlement of such Restricted Stock or make such other adjustments as the Committee, in its sole discretion, deems desirable. Subject to the limitations of the Plan and the Award of Restricted Stock, upon the vesting of Restricted Stock, such Restricted Stock will be transferred free of all restrictions to the Participant (or his or her legal representative, beneficiary or heir).

SECTION 9
Restricted Stock Units

9.1. Subject to the terms of this Section 9, a Restricted Stock Unit entitles a Participant to receive shares for the units at the end of a Restricted Period, or at a later date if distribution has been deferred, to the extent provided by the Award with the vesting of such units to be

contingent upon such conditions as may be established by the Committee and set forth in the Award Agreement (such as continued employment or satisfaction of performance criteria) occurring after the date of grant of the Award, provided, however, that to the extent that the vesting of a Restricted Stock Unit is contingent on continued employment, the required employment period shall generally not be less than one year following the date of grant of the Award unless such grant is in substitution for an Award under this Plan or a predecessor plan of the Company or a Related Company. The Award of Restricted Stock Units under this Section 9 may, but need not, be made in conjunction with a cash-based incentive compensation program maintained by the Company, and may, but need not, be in lieu of cash otherwise awardable under such program.

- 9.2. The Committee shall designate the Employees to whom Restricted Stock Units shall be granted and the number of units that are subject to each such Award. During any period in which Restricted Stock Units are outstanding and have not been settled in Stock, the Participant shall not have the rights of a stockholder, but, in the discretion of the Committee, may be granted the right to receive a payment from the Company in lieu of a dividend in an amount equal to any cash dividends that might be paid during the Restricted Period.
- 9.3. Except as otherwise provided by the Committee, any Restricted Stock Unit which is not earned by the end of a Restricted Period shall be forfeited. If a Participant's Date of Termination occurs prior to the end of a Restricted Period, the Committee, in its sole discretion, may determine that the Participant will be entitled to settlement of all, any portion, or none of the Restricted Stock Units as to which he or she would otherwise be eligible, and may accelerate the determination of the value and settlement of such Restricted Stock Units or make such other adjustments as the Committee, in its sole discretion, deems desirable.
- 9.4. Notwithstanding anything to the contrary in this Section 9, an election to defer receipt of shares at the end of a Restricted Period may be made by a Participant only in accordance with the terms of a separate written nonqualified deferred compensation plan sponsored by the Company and only to the extent made in accordance with the election timing rules under Code Section 409A. Unless otherwise subject to such a deferral election, Restricted Stock Units shall be settled on or after the last day of the Restricted Period set forth in the Award Agreement, but in no event later than the March 15th of the calendar year following the calendar year in which the Restricted Period ends. Any acceleration of the settlement of a Restricted Stock Unit Award described in Section 9.3 shall be made only to the extent permissible under Code Section 409A.

SECTION 10
Performance Stock

- 10.1. Subject to the terms of this Section 10, an Award of Performance Stock provides for the distribution of Stock to a Participant upon the achievement of performance objectives, which may include Performance Goals, established by the Committee and set forth in the applicable Award Agreement.

- 10.2. The Committee shall designate the Employees to whom Awards of Performance Stock are to be granted, and the number of shares of Stock that are subject to each such Award. The Award of shares of Performance Stock under this Section 10 may, but need not, be made in conjunction with a cash-based incentive compensation program maintained by the Company, and may, but need not, be in lieu of cash otherwise awardable under such program.
- 10.3. Except as otherwise provided by the Committee and set forth in the applicable Award Agreement, any Award of Performance Stock which is not earned by the end of the Performance Period shall be forfeited. If a Participant's Date of Termination occurs prior to the end of a Performance Period, the Committee, in its sole discretion, may determine that the Participant will be entitled to settlement of all, any portion, or none of the Performance Stock as to which he or she would otherwise be eligible, and may accelerate the determination of the value and settlement of such Performance Stock or make such other adjustments as the Committee, in its sole discretion, deems desirable.
- 10.4. Except as otherwise provided by the Committee under Section 10.3 or in an Award Agreement, settlement of any earned Performance Stock shall occur on or after the last day of the Performance Period, but in no event later than the March 15th of the calendar year following the calendar year in which the Performance Period ends. Any acceleration of the settlement of a Performance Share described in Section 10.3 shall be made only to the extent permissible under Code Section 409A.

SECTION 11
Performance Units

- 11.1. Subject to the terms of this Section 11, the Award of Performance Units under the Plan entitles the Participant to receive value for the units at the end of a Performance Period to the extent provided under the Award. The number of Performance Units earned, and value received from them, will be contingent on the degree to which the performance measures set forth in the Award Agreement, are met.
- 11.2. The Committee shall designate the Employees to whom Performance Units are to be granted, and the number of Performance Units to be subject to each such Award.
- 11.3. For each Participant, the Committee will determine the value of Performance Units, which may be stated either in cash or in units representing shares of Stock; the performance measures used for determining whether the Performance Units are earned; the Performance Period during which the performance measures will apply; the relationship between the level of achievement of the performance measures and the degree to which Performance Units are earned; whether, during or after the Performance Period, any revision to the performance measures or Performance Period should be made to reflect significant events or changes that occur during the Performance Period; and the number of earned Performance Units that will be settled in cash and/or shares of Stock.

11.4. Settlement of Performance Units shall be subject to the following:

- (a) The Committee will compare the actual performance to the performance measures established for the Performance Period and determine the number of Performance Units as to which settlement is to be made;
- (b) Settlement of Performance Units earned shall be wholly in cash, wholly in Stock or in a combination of the two, as determined by the Committee, and shall be distributed in the form set forth in the Award Agreement. If the Award Agreement does not provide for a form of payment, payment shall be made in a single lump sum payment. Except as otherwise provided by the Committee under Section 11.5 or in an Award Agreement, settlement of any earned Performance Units shall occur on or after the last day of the Performance Period, but in no event later than the March 15th of the calendar year following the calendar year in which the Performance Period ends. Any acceleration of the settlement of a Performance Unit described in Section 11.5 shall be made only to the extent permissible under Code Section 409A; and
- (c) Shares of Stock distributed in settlement of Performance Units shall be subject to such vesting requirements and other conditions, if any, as the Committee shall determine, including, without limitation, restrictions of the type that may be imposed with respect to Restricted Stock under Section 8.

11.5. Except as otherwise provided by the Committee and set forth in the applicable Award Agreement, any Award of Performance Units which is not earned by the end of the Performance Period shall be forfeited. If a Participant's Date of Termination occurs prior to the end of a Performance Period, the Committee, in its sole discretion, may determine that the Participant will be entitled to settlement of all, any portion, or none of the Performance Units as to which he or she would otherwise be eligible, and may accelerate the determination of the value and settlement of such Performance Units or make such other adjustments as the Committee, in its sole discretion, deems desirable.

SECTION 12
Stock Purchase Program

12.1. The Committee may, from time to time, establish one or more programs under which Employees will be permitted to purchase shares of Stock under the Plan, and shall designate the Employees eligible to participate under such Stock purchase programs. The purchase price for shares of Stock available under such programs, and other terms and conditions of such programs, shall be established by the Committee. The purchase price may not be less than 75% of the Fair Market Value of the Stock at the time of purchase (or, in the Committee's discretion, the average Stock value over a period determined by the Committee), and further provided that if newly issued shares of Stock are sold, the purchase price may not be less than the aggregate par value of such newly issued shares of Stock.

12.2. The Committee may impose such restrictions with respect to shares purchased under this Section 12, as the Committee, in its sole discretion, determines to be appropriate. Such

restrictions may include, without limitation, restrictions of the type that may be imposed with respect to Restricted Stock under Section 8.

SECTION 13
Stock Awards

- 13.1. The Committee may from time to time make an Award of Stock under the Plan to selected Employees for such reasons and in such amounts as the Committee, in its sole discretion, may determine. The consideration to be paid by an Employee for any such Award, if any, shall be fixed by the Committee from time to time, but, if required by the General Corporation Law of the State of Delaware, it shall not be less than the aggregate par value of the shares of Stock awarded to him or her.

SECTION 14
Phantom Stock Awards

- 14.1. The Committee may make Phantom Stock Awards to selected Employees which may be based solely on the value of the underlying shares of Stock, solely on any earnings or appreciation thereon, or both. Subject to the provisions of the Plan, the Committee shall have the sole and complete authority to determine the number of hypothetical or target shares as to which each such Phantom Stock Award is subject and to determine the terms and conditions of each such Phantom Stock Award. There may be more than one Phantom Stock Award in existence at any one time with respect to a selected Employee, and the terms and conditions of each such Phantom Stock Award may differ from each other.
- 14.2. The Committee shall establish and shall set forth in the applicable Award Agreement the vesting or performance measures for each Phantom Stock Award on the basis of such criteria and to accomplish such objectives as the Committee may from time to time, in its sole discretion, determine. Such measures may be based on years of service or periods of employment, or the achievement of individual or corporate performance objectives, but shall, in each instance, be based upon one or more of the business criteria as determined pursuant to Section 4.7. The vesting and performance measures determined by the Committee shall be established at the time a Phantom Stock Award is made. Phantom Stock Awards may not be sold, assigned, transferred, pledged, or otherwise encumbered, except as provided in Section 17, during the Performance Period.
- 14.3. Settlement of Phantom Stock earned shall be wholly in cash, wholly in Stock or in a combination of the two, as determined by the Committee, and shall be distributed in the form set forth in the Award Agreement. If the Award Agreement does not provide for a form of payment, payment shall be made in a single lump sum payment. Except as otherwise provided by the Committee under Section 14.4 or in an Award Agreement, settlement of any earned Phantom Stock shall occur on or after the last day of the Performance Period, but in no event later than the March 15th of the calendar year following the calendar year in which the Performance Period ends. Any acceleration of the settlement of Phantom Stock described in Section 14.4 shall be made only to the extent permissible under Code Section 409A.

- 14.4. Except as otherwise provided by the Committee and set forth in the applicable Award Agreement, any Award of Phantom Stock which is not earned by the end of the Performance Period shall be forfeited. If a Participant's Date of Termination occurs prior to the end of a Performance Period, the Committee, in its sole discretion, may determine that the Participant will be entitled to settlement of all or a portion of the Phantom Stock for which he or she would otherwise be eligible, and may accelerate the determination of the value and settlement of Phantom Stock or make such other adjustment as the Committee, in its sole discretion, deems desirable.

SECTION 15
Termination of Employment

- 15.1. If a Participant's employment is terminated by the Participant's Employer for Cause, all of the Participant's unvested Awards, including any unexercised Options, shall be forfeited.
- 15.2. Except as may be set forth in the applicable Award Agreement, with respect to Awards made prior to July 22, 2004, if a Participant's Date of Termination occurs by reason of death, Disability or Retirement, all Options and Stock Appreciation Rights outstanding immediately prior to the Participant's Date of Termination shall immediately become exercisable and shall be exercisable until one year from the Participant's Date of Termination and thereafter shall be forfeited if not exercised, and all restrictions on any Awards outstanding immediately prior to the Participant's Date of Termination shall immediately lapse. Except as may be set forth in the applicable Award Agreement, for Awards made after July 22, 2004, if a Participant's Date of Termination occurs by reason of death or Disability, (i) all unvested Awards outstanding immediately prior to the Participant's Date of Termination shall continue to vest as if such Employee had remained in the employ of the Company and (ii) all vested Options and Stock Appreciation Rights shall remain exercisable and, in each case, such Awards shall be exercisable until one year from the later of the (i) Participant's Date of Termination or (ii) the vesting date of such Award and thereafter shall be forfeited. Except as may be set forth in the applicable Award Agreement, for Awards made after July 22, 2004, if a Participant's Date of Termination occurs by reason of Retirement, (i) all unvested Awards outstanding immediately prior to the Participant's Date of Termination shall be forfeited and (ii) all vested Options and Stock Appreciation Rights shall remain exercisable and shall be exercisable until one year from the Participant's Date of Termination and thereafter shall be forfeited. Options and Stock Appreciation Rights which are or become exercisable at the time of a Participant's death may be exercised by the Participant's designated beneficiary or, in the absence of such designation, by the person to whom the Participant's rights will pass by will or the laws of descent and distribution.
- 15.3. Except as may be set forth in the applicable Award Agreement, for Awards made prior to July 22, 2004, if a Participant's Date of Termination occurs by reason of Participant's employment being terminated by the Participant's Employer for any reason other than Cause, or by the Participant with the written consent and approval of the Participant's Employer, the Restricted Period shall lapse on a proportion of any Awards outstanding immediately prior to the Participant's Date of Termination (except that, to the extent that an Award of Restricted Stock, Restricted Stock Units, Performance Units, Performance Stock

and Phantom Stock is subject to a Performance Period), such proportion of the Award shall remain subject to the same terms and conditions for vesting as were in effect prior to the Date of Termination and shall be determined at the end of the Performance Period. The proportion of an Award upon which the Restricted Period shall lapse shall be a fraction, the denominator of which is the total number of months of any Restricted Period applicable to an Award and the numerator of which is the number of months of such Restricted Period which elapsed prior to the Date of Termination. Except as may be set forth in the applicable Award Agreement, for Awards made after July 22, 2004, if a Participant's Date of Termination occurs by reason of Participant's employment being terminated by the Participant's Employer for any reason other than Cause, or by the Participant with the written consent and approval of the Participant's Employer, (i) all unvested Awards outstanding immediately prior to the Participant's Date of Termination shall be forfeited and (ii) all vested Options and Stock Appreciate Rights shall remain exercisable as provided in Section 15.4.

- 15.4. Options and Stock Appreciation Rights which are or become exercisable by reason of the Participant's employment being terminated by the Participant's Employer for reasons other than Cause or by the Participant with the consent and approval of the Participant's Employer, shall be exercisable until 60 days from the Participant's Termination Date and shall thereafter be forfeited if not exercised.
- 15.5. Except to the extent the Company shall otherwise determine, if, as a result of a sale or other transaction (other than a Change in Control), a Participant's Employer ceases to be a Related Company (and the Participant's Employer is or becomes an entity that is separate from the Company), the occurrence of such transaction shall be treated as the Participant's Date of Termination caused by the Participant's employment being terminated by the Participant's Employer for a reason other than Cause.
- 15.6. Notwithstanding the foregoing provisions of this Section 15, the Committee may, with respect to any Awards of a Participant (or portion thereof) that are outstanding immediately prior to the Participant's Date of Termination, determine that a Participant's Date of Termination will not result in forfeiture or other termination of the Award, or may extend the period during which any Options or Stock Appreciation Rights may be exercised, but shall not extend such period beyond the expiration date set forth in the Award. In no event may an Option or Stock Appreciation Right be extended to a date which is more than ten years from the date of grant.

SECTION 16 **Adjustments to Shares**

- 16.1. If the Company shall effect a reorganization, merger, or consolidation, or similar event or effect any subdivision or consolidation of shares of Stock or other capital readjustment, payment of stock dividend, stock split, spin-off, combination of shares or recapitalization or other increase or reduction of the number of shares of Stock outstanding without receiving compensation therefor in money, services or property, then the Committee shall appropriately adjust (i) the number of shares of Stock available under the Plan, (ii) the number of shares of Stock available under any individual or other limitations under the Plan,

(iii) the number of shares of Stock subject to outstanding Awards and (iv) the per-share price under any outstanding Award to the extent that the Participant is required to pay a purchase price per share with respect to the Award.

- 16.2. If the Committee determines that an adjustment in accordance with the provisions of Subsection 16.1 would not be fully consistent with the purposes of the Plan or the purposes of the outstanding Awards under the Plan, the Committee may make such other adjustments, if any, that the Committee reasonably determines are consistent with the purposes of the Plan and/or the affected Awards.
- 16.3. To the extent that any reorganization, merger, consolidation, or similar event or any subdivision or consolidation of shares of Stock or other capital readjustment, payment of stock dividend, stock split, spin-off, combination of shares or recapitalization or other increase or reduction of the number of shares of Stock hereunder is also accompanied by or related to a Change in Control, the adjustment hereunder shall be made prior to the acceleration contemplated by Section 20.

SECTION 17

Transferability and Deferral of Awards

- 17.1. Awards under the Plan are not transferable except by will or by the laws of descent and distribution. To the extent that a Participant who receives an Award under the Plan has the right to exercise such Award, the Award may be exercised during the lifetime of the Participant only by the Participant. Notwithstanding the foregoing provisions of this Section 17, the Committee may, subject to any restrictions under applicable securities laws, permit Awards under the Plan (other than an Incentive Stock Option) to be transferred by a Participant for no consideration to or for the benefit of the Participant's Immediate Family (including, without limitation, to a trust for the benefit of a Participant's Immediate Family or to a Partnership comprised solely of members of the Participant's Immediate Family), subject to such limits as the Committee may establish, provided the transferee shall remain subject to all of the terms and conditions applicable to such Award prior to such transfer.
- 17.2. The Committee may permit a Participant to elect to defer payment under an Award under such terms and conditions as the Committee, in its sole discretion, may determine; provided that, any such deferral election must be made in accordance with the terms of a separate written nonqualified deferred compensation plan sponsored by the Company and only to the extent made in accordance with the election timing rules under Code Section 409A.

SECTION 18

Award Agreement

- 18.1. Each Participant granted an Award pursuant to the Plan shall sign an Award Agreement which signifies the offer of the Award by the Company and the acceptance of the Award by the Participant in accordance with the terms of the Award and the provisions of the Plan. Each Award Agreement shall reflect the terms and conditions of the Award. Participation in the Plan shall confer no rights to continued employment with an Employer nor shall it restrict the right of an Employer to terminate a Participant's employment at any time for any

reason, notwithstanding the fact that the Participant's rights under this Plan may be negatively affected by such action.

SECTION 19
Tax Withholding

19.1 All Awards and other payments under the Plan are subject to withholding of all applicable taxes, which withholding obligations shall be satisfied (without regard to whether the Participant has transferred an Award under the Plan) by a cash remittance, or with the consent of the Committee, through the surrender of shares of Stock which the Participant owns or to which the Participant is otherwise entitled under the Plan pursuant to an irrevocable election submitted by the Participant to the Company at the office designated for such purpose. The number of shares of Stock needed to be submitted in payment of the taxes shall be determined using the Fair Market Value as of the applicable tax date rounding down to the nearest whole share.

SECTION 20
Change in Control

20.1. After giving effect to the provisions of Section 16 (relating to the adjustment of shares of Stock), and except as otherwise provided in the Plan or the Agreement reflecting the applicable Award, upon the occurrence of a Change in Control:

- (a) All outstanding Options (regardless of whether in tandem with Stock Appreciation Rights) shall become fully exercisable and may be exercised at any time during the original term of the Option;
- (b) All outstanding Stock Appreciation Rights (regardless of whether in tandem with Options) shall become fully exercisable and may be exercised at any time during the original term of the Option;
- (c) All shares of Stock subject to Awards shall become fully vested and be distributed to the Participant; and
- (d) Performance Units may be paid out in such manner and amounts as may be reasonably determined by the Committee.

The accelerated payment of any Award upon a Change in Control as described in this Section 20.1 shall occur only to the extent such payment would not result in an adverse tax consequence to the Participant under Code Section 409A. In addition, Performance Units shall be paid in accordance with the terms of the Award Agreement.

SECTION 21
MERGERS / ACQUISITIONS

21.1 In the event of any merger or acquisition involving the Company and/or a Subsidiary of the Company and another entity which results in the Company being the survivor or the

surviving direct or indirect parent corporation of the merged or acquired entity, the Committee may grant Awards under the provisions of the Plan in substitution for awards held by employees or former employees of such other entity under any plan of such entity immediately prior to such merger or acquisition upon such terms and conditions as the Committee, in its discretion, shall determine and as otherwise may be required by the Code to ensure such substitution is not treated as the grant of a new Award for tax or accounting purposes.

- 21.2 In the event of a merger or acquisition involving the Company in which the Company is not the surviving corporation, the Acquiring Corporation shall either assume the Company's rights and obligations under outstanding Awards or substitute awards under the Acquiring Corporation's plans, or if none, securities for such outstanding Awards. In the event the Acquiring Corporation elects not to assume or substitute for such outstanding Awards, and without limiting Section 20, the Board shall provide that any unexercisable and/or unvested portion of the outstanding Awards shall be immediately exercisable and vested as of a date prior to such merger or consolidation, as the Board so determines. The exercise and/or vesting of any Award that was permissible solely by reason of this Section 21.2 shall be conditioned upon the consummation of the merger or consolidation. Unless otherwise provided in the Plan or the Award, any Awards which are neither assumed by the Acquiring Corporation nor exercised on or prior to the date of the transaction shall terminate effective as of the effective date of the transaction.

SECTION 22

Termination and Amendment

- 22.1 The Board may suspend, terminate, modify or amend the Plan, provided that any amendment that would (a) increase the aggregate number of shares of Stock which may be issued under the Plan, (b) would change the method of determining the exercise price of Options, other than to change the method of determining Fair Market Value of Stock as set forth in Section 2.1(o) of the Plan, or (c) materially modify the requirements as to eligibility for participation in the Plan, shall be subject to the approval of the Company's stockholders, except that any such increase or modification that may result from adjustments authorized by Section 16 does not require such approval. No suspension, termination, modification or amendment of the Plan may terminate a Participant's existing Award or materially and adversely affect a Participant's rights under such Award without the Participant's consent.

ARCH COAL, INC.
SUPPLEMENTAL RETIREMENT PLAN
409A DOCUMENT

WHEREAS, Arch Coal, Inc. ("Company") previously adopted the Arch Coal, Inc. Supplemental Retirement Plan ("Plan"); and

WHEREAS, the Company reserved the right to amend the Plan pursuant to Section 6.G thereof; and

WHEREAS, for purposes of Section 409A of the Internal Revenue Code of 1986, as amended ("Code"), the Company desires to "grandfather" benefits accrued by individuals who were in pay status as of December 31, 2004, and the benefits of individuals who terminated employment prior to 1998 who had not commenced payments as of January 1, 2009; and

WHEREAS, the benefits of such individuals shall be determined under the terms of the Plan in effect at the time of their termination of employment; and

WHEREAS, other than as provided above, the Company does not desire to "grandfather" any benefits under the Plan for purposes of Section 409A of the Internal Revenue Code of 1986, as amended;

NOW, THEREFORE, effective January 1, 2009, the Plan is amended and restated in its entirety as follows:

ARCH COAL, INC.
SUPPLEMENTAL RETIREMENT PLAN
409A DOCUMENT

SECTION 1
DEFINITIONS

A. "Code" means the Internal Revenue Code of 1986, as amended.

B. "Committee" means the committee appointed pursuant to Section 4.

C. "Company" means Arch Coal, Inc., a Delaware corporation.

D. "Employee" means a person who is classified as a salaried employee by the Employer and who is a participant in the Retirement Plan.

E. "Employer" means the Company or any of its subsidiaries or affiliates which adopts the Plan with the consent of the Company and of which the majority of the issued and outstanding voting stock or equity is owned directly or indirectly by the Company.

F. "Participant" means an Employee who has satisfied the eligibility requirements of Section 2.

G. "Plan" means this Arch Coal, Inc. Supplemental Retirement Plan.

H. "Retirement Plan" as above stated means the Arch Coal, Inc. Retirement Account Plan.

I. "Specified Employee" means a key employee (as defined in Code Section 416(i) without regard to Code Section 416(i)(5)) determined in accordance with the meaning of such term under Code Section 409A and the regulations promulgated thereunder and the Company's established methodology for determining specified employees. As of January 1, 2009, the Board has determined that a Specified Employee shall include any individual who is a participant in the Plan or the Arch Coal, Inc. Deferred Compensation Plan.

SECTION 2
ELIGIBILITY

Any individual who was a Participant in this Plan on December 31, 2008 shall continue as a Participant on January 1, 2009. On or after January 1, 2009, each Employee whose benefits under the Retirement Plan are limited by operation of Code Section 415 or Code Section 401(a)(17) or who defers compensation included in the definition of compensation under the Retirement Plan into a nonqualified deferred compensation plan sponsored by the Employer shall be a Participant in this Plan on the later of January 1, 2009, the date the Employee's Retirement Plan benefits are first limited by Code Section 415 or Code Section 401(a)(17) or the date such deferrals are made.

SECTION 3
BENEFITS

A. Benefits shall be payable under this Section 3 of the Plan to those Participants who participate in the Retirement Plan and whose benefits are (a) limited on account of the limitations of Section 415 of the Code, (b) limited on account of the limitation on compensation under Section 401(a)(17) of the Code or (c) calculated without regard to amounts (which otherwise would be included in the definition of compensation under the Retirement Plan) due to an election to defer those amounts into a nonqualified deferred compensation plan sponsored by the Employer, the amount of benefits payable under this Section 3 shall equal the excess (if any) of:

(1) the lump sum amount which would have been payable to the Participant under the Retirement Plan (as of the date benefits commence under this Plan) without regard to the limitations of Section 415 of the Code and without regard to the limitation on compensation under Section 401(a)(17) of the Code, and including in his or her compensation any amounts included in the definition of compensation under the Retirement Plan that were deferred into a nonqualified deferred compensation plan sponsored by the Employer, over

(2) the lump sum benefit the Participant is entitled to receive under the Retirement Plan (as of the date benefits commence under this Plan).

Benefits under this Section 3.A shall be paid on the first day of the month following the date the Participant terminates employment and shall be paid in a lump sum.

Notwithstanding the above, payment of benefits shall not be made under the Plan prior to the date which is six months after the date of a Participant's termination of employment in the case of a Participant who is determined to be a Specified Employee at the time of his or her termination. In such case, the Specified Employee's benefit shall be credited with interest during such six-month period in accordance with the interest crediting rate applicable under the Retirement Plan during such period, and distribution shall be made on the day after the last day of such six-month period.

B. If a Participant dies before his or her benefits begin under this Plan and he or she leaves a beneficiary who is entitled to a benefit under the Retirement Plan, and if such benefit (a) is reduced on account of Section 415 of the Code, (b) is reduced on account of Section 401(a)(17) of the Code, or (c) is calculated without regard to amounts (which otherwise would be included in the definition of compensation under the Retirement Plan) due to an election to defer those amounts into a nonqualified deferred compensation plan sponsored by the Employer, such beneficiary shall receive a benefit under this Section 3.B equal to the excess (if any) of:

(1) the lump sum amount which would have been payable to the beneficiary under the Retirement Plan without regard to the limitations of Sections 415 and 401(a)(17) of the Code and including in his or her compensation any amounts included in the definition of compensation under the Retirement that were deferred into a nonqualified deferred compensation plan sponsored by the Employer, over

(2) the lump sum benefit payable to the beneficiary under the Retirement Plan.

Benefits under this Section 3.B shall be paid on the first day of the month following the month in which the Participant dies and shall be paid in a lump sum.

C. The determination of whether a Participant has had a termination of employment shall be determined under the default provisions of Treas. Reg. Section 1.409A-1(h)(1)(ii), except that a Participant shall not be deemed to have terminated employment if he or she transfers to an entity with which the Company would be aggregated under Section 414 of the Code, using an ownership percentage of 20% instead of 80% thereunder.

D. All payments due and payable under this Plan on a fixed date shall be deemed to be made upon such fixed date if such payment is made on: such date; a later date within the same calendar year; or, if later, by the fifteenth day of the third calendar month following the specified date (provided the Participant or beneficiary is not entitled, directly or indirectly, to designate the taxable year of the payment).

SECTION 4
ADMINISTRATION AND CLAIMS PROCEDURE

A. The Committee for the Plan shall consist of the same individuals who have been appointed by the Boards of Directors of the Company to serve as the Pension Committee of the Retirement Plan.

B. The Committee shall construe, interpret and administer all provisions of the Plan and a decision of a majority of the members of the Committee shall govern.

C. A decision of the Committee may be made by a written document signed by a majority of the members of the Committee or by a meeting of the Committee. The Committee may authorize any one of its members to sign documents or papers on its behalf.

D. The Committee shall appoint a secretary who need not be a member of the Committee. The secretary shall keep all records of meetings and of any action by the Committee and any and all other records desired by the Committee. The Committee may appoint such agents, who need not be members of the Committee, as it may deem necessary for the effective exercise of its duties, and may, to the extent not inconsistent herewith, delegate to such agents any powers and duties, both ministerial and discretionary, as the Committee may deem expedient and appropriate.

E. No member of the Committee shall make any decision or take any action regarding his own benefits under the Plan, but all such matters shall be decided by a majority of the remaining members of the Committee or, in the event of inability to obtain a majority, by the Chairman of the Company.

F. A Participant who believes that he is being denied a benefit to which he is entitled may file a written request for such benefit with the Plan Administrator of the Retirement Plan setting forth his claim. The request must be addressed to: Plan Administrator, Arch Coal, Inc.,

City Place One, Suite 300, St. Louis, Missouri 63141. The claim shall be handled pursuant to, and shall be governed by, the claims procedures in the Retirement Plan.

SECTION 5
FORFEITURE

Subject to any divestiture limitations imposed by the then applicable law, a Participant's right to his benefits, or any surviving spouse's or beneficiary's right related to such benefits, shall be divested if the Participant is found to have violated the law as to any business matter of the Employer and such violation materially affects the Employer's business or reputation. Otherwise, there shall be no divestiture of rights of any Employee who has become a Participant herein.

SECTION 6
MISCELLANEOUS

A. Plan Year. The Plan shall operate on a calendar year basis.

B. Spendthrift. No Participant or beneficiary shall have the right to assign, transfer, encumber or otherwise subject to lien any of the benefits payable or to be payable under this Plan.

C. Incapacity. If, in the opinion of the Committee, a person to whom a benefit is payable is unable to care for his affairs because of illness, accident or any other reason, any payment due the person, unless prior claim therefor shall have been made by a duly qualified guardian or other duly appointed and qualified representative of such person, may be paid to some member of the person's family, or to some party who, in the opinion of the Committee, has incurred expense for such person. Any such payment shall be a payment for the account of such person and shall be a complete discharge of any liability therefor to such person.

D. Employee Rights. The Employer, in adopting this Plan, shall not be held to create or vest in any Employee or any other person any benefits other than the benefits specifically provided herein, or to confer upon any Employee the right to remain in the service of the Employer.

E. Service of Process and Plan Administrator. The Secretary of the Company shall be the agent for service of legal process.

F. Unfunded Plan. This Plan shall be unfunded. All payments to a Participant under the Plan shall be made from the general assets of the Participant's Employer. The rights of any Participant to payment shall be those of an unsecured general creditor of his Employer.

G. Company Rights. The Company reserves the right to amend or terminate the Plan, provided that the vested rights of each designated Participant at the time of such amendment or termination shall remain unaffected. Any distributions payable upon termination of the Plan must comply with the requirements of Code Section 409A and the rules and regulations promulgated thereunder.

H. Interpretation. All provisions of this Plan shall be interpreted in a manner so as to be consistent with Section 409A of the Code and the regulations issued thereunder.

IN WITNESS WHEREOF, the Company has caused this Amendment to be executed by its duly authorized officer this 11th day of December, 2008.

ARCH COAL, INC.

By: /s/ Sheila B. Feldman

ATTEST: /s/ Gregory A. Billhartz

ARCH COAL, INC.
DEFERRED COMPENSATION PLAN

WHEREAS, Arch Coal, Inc. ("Company") previously adopted the Arch Coal, Inc. Deferred Compensation Plan ("Plan"); and

WHEREAS, effective January 1, 2005, Company began administering the Plan with respect to amounts deferred on and after January 1, 2005, in accordance with a good faith interpretation of Section 409A of the Internal Revenue Code of 1986, as amended ("Code"); and

WHEREAS, effective January 1, 2009, the Company desires to amend the Plan to incorporate provisions consistent with the final regulations promulgated under Code Section 409A; and

WHEREAS, with respect to deferrals (and earnings thereon) credited and vested prior to January 1, 2005, the terms of the Plan in effect as of December 31, 2004, shall continue to govern such benefits, and the provisions of that "grandfathered" portion of the Plan are set forth in a separate document;

NOW, THEREFORE, effective January 1, 2009, the portion of the Plan which is subject to Code Section 409A is restated as follows:

ARCH COAL, INC.
DEFERRED COMPENSATION PLAN
409A Document

1. PURPOSE

The purpose of this Arch Coal, Inc. Deferred Compensation Plan (the "Plan") is to provide eligible key employees of the Company with an opportunity to defer compensation to be earned by them from the Company as a means of saving for retirement or other future purposes.

Effective January 1, 2005, the Company administered the Plan in accordance with a good faith interpretation of Section 409A of the Internal Revenue Code of 1986, as amended ("Code"). However, deferrals (and earnings thereon) made and vested prior to December 31, 2004, shall be "grandfathered" and governed by the document in effect as of December 31, 2004. Amounts (and earnings thereon) deferred or vested on or after January 1, 2005, by or on behalf of a Participant shall be governed by this 409A Document.

2. DEFINITIONS

The following definitions shall be applicable throughout the Plan:

(a) "Accounting Date" means each Business Day on which a calculation concerning a Participant's Compensation Account is performed, or as otherwise defined by the Committee.

(b) "Beneficiary" means the person(s) designated by the Participant in accordance with Section 11, or if no person(s) is/are so designated, the estate of a deceased Participant.

(c) "Board" means the Board of Directors of Arch Coal, Inc. or its designee.

(d) "Business Day" means a day on which the New York Stock Exchange is open for trading activity.

(e) "Committee" means the Personnel and Compensation Committee of the Board or its designee.

(f) "Common Stock" means the common stock, \$.01 par value, of Arch Coal, Inc.

(g) "Common Stock Fund" means that investment option, approved by the Committee, in which a Participant's Compensation Account may be deemed to be invested and may earn income based on a hypothetical investment in Common Stock.

(h) "Company" means Arch Coal, Inc., its divisions, subsidiaries and affiliates.

(i) "Compensation" means any employee compensation determined by the Committee to be properly deferrable under the Plan.

(j) "Compensation Account(s)" means the Retirement Account and/or the In-Service Account(s).

(k) "Corporate Human Resources" means the Corporate Human Resources Department of the Company.

(l) "Credit Date" means the date on which Compensation would otherwise have been paid to the Participant or, in the case of the Participant's designation of investment option changes, any date within three Business Days after the Participant's designation is received in accordance with the procedures established by the Committee.

(m) "Deferred Compensation" means the Compensation elected by the Participant to be deferred pursuant to the Plan.

(n) "Election" means a Participant's delivery of a written notice of election to Corporate Human Resources electing to defer payment of all or a portion of his or her Compensation (in accordance with rules prescribed by the Committee) either until Termination, death or such other time as further permitted by the Committee or the Company.

(o) "Employee" means an individual classified by the Committee as a full-time, regular salaried employee (which term shall be deemed to include officers) of the Company, its present and future subsidiary corporations as defined in Section 424 of the Internal Revenue Code of 1986, as amended, or its affiliates.

(p) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(q) "Fair Market Value" means the price of a share of Common Stock, as reported on the Composite Tape for New York Stock Exchange issues on the date and at the time designated by the Company.

(r) "Fiscal Year" means the fiscal year of the Company, which is currently the annual period commencing January 1 and ending the following December 31.

(s) "In-Service Account" means the account(s) to which the Participant's Deferred Compensation is credited and from which, pursuant to Section 9(b), distributions are made.

(t) "Participant" means an Employee selected by the Committee to participate in the Plan and who has elected to defer payment of all or a portion of his or her Compensation under the Plan.

(u) "Performance-Based Compensation" means Compensation that (i) is based on services performed over a period of at least twelve months and (ii) constitutes performance-based compensation as defined in Treasury Regulations issued under Code Section 409A.

(v) "Plan" means this Arch Coal, Inc. Deferred Compensation Plan as it now exists or as it may hereafter be amended.

(w) "Retirement" means a Participant's Termination at or after age 55.

(x) "Retirement Account" means the account(s) to which the Participant's Deferred Compensation is credited and from which, pursuant to Section 9(a), distributions are made.

(y) "Service Year" means, as designated by the Committee, such year or portion thereof during which the services have been rendered for which Compensation is payable.

(z) "Specified Employee" means a key employee (as defined in Code Section 416(i) without regard to Code Section 416(i)(5)) determined in accordance with the meaning of such term under Code Section 409A and the regulations promulgated thereunder and the resolutions of the Board governing such determination. As of January 1, 2009, the Board has determined that a Specified Employee shall include any individual who is a participant in the Plan or the Arch Coal, Inc. Supplemental Retirement Plan.

(aa) "Stock Unit(s)" means the share equivalents credited to the Common Stock Fund of a Participant's Compensation Account pursuant to Section 6.

(bb) "Termination" means termination of services as an Employee, as defined under Code Section 409A and the regulations promulgated thereunder. In general, an Employee shall have a termination of employment upon a decrease in the performance of services to less than 50% of the average for the preceding 36-month period, and disregarding leave of absences up to six months where there is a reasonable expectation the Participant will return to active employment.

3. SHARES; ADJUSTMENTS IN EVENT OF CHANGES IN CAPITALIZATION

In the event of any change in the outstanding Common Stock of the Company by reason of any stock split, share dividend, recapitalization, merger, consolidation, reorganization, combination, or exchange or reclassification of shares, split-up, split-off, spin-off, liquidation or other similar change in capitalization, or any distribution to common shareholders other than cash dividends, the number or kind of shares or Stock Units that may be credited under the Plan shall be automatically adjusted so that the proportionate interest of the Participants shall be maintained as before the occurrence of such event. Such adjustment shall be conclusive and binding for all purposes of the Plan.

4. ELIGIBILITY

The Committee shall have the authority to select from management and/or highly compensated Employees those Employees who shall be eligible to participate in the Plan.

5. ADMINISTRATION

Full power and authority to construe, interpret and administer the Plan shall be vested in the Company and the Committee. This power and authority includes, but is not limited to, selecting Compensation eligible for deferral, selecting investment indices, establishing deferral cycles for purposes of Section 9(b), establishing deferral terms and conditions, and adopting modifications,

amendments and procedures as may be deemed necessary, appropriate or convenient by the Committee. Decisions of the Company and the Committee shall be final, conclusive and binding upon all parties. Day-to-day administration of the Plan shall be the responsibility of Corporate Human Resources.

6. PARTICIPANT ACCOUNTS

(a) Upon election to participate in the Plan, there shall be established a Retirement Account and/or In-Service Account, as designated by the Participant, to which there shall be credited any Deferred Compensation, as of each Credit Date. In addition, matching credits shall be allocated to a Participant's Retirement Account in accordance with Section 6(b). Each such Compensation Account shall be credited (or debited) on each Accounting Date with income (or loss) based upon a hypothetical investment in any one or more of the investment options available under the Plan, as prescribed by the Committee for the particular compensation credited, which may include a Common Stock Fund, as elected by the Participant under the terms of Section 8.

(b) Matching credits will be made to the Plan on behalf of a Participant. The matching credit will be the matching contribution that would have been made to the Arch Coal, Inc. Employee Thrift Plan (without regard to any applicable limitations of the Code) had the deferrals to this Plan been contributed to the Thrift Plan, reduced by the amount of matching contributions made on the Participant's behalf to the Thrift Plan; provided that:

(i) If the Participant does not contribute the maximum elective deferral amount permitted under Code Section 402(g) for such year to the Thrift Plan (\$16,500 for 2009), the matching contribution percentage in effect under the Thrift Plan shall be applied only to Compensation in excess of the applicable dollar amount limitation under Code Section 401(a)(17) for that year under the Thrift Plan (\$245,000 for 2009); and

(ii) With respect to a year, if a Participant changes his or her deferral percentage in effect under the Thrift Plan after the December 31st preceding such year, the matching credit to a Participant under this Plan will be limited so that such change under the Thrift Plan shall not increase or decrease the matching credit for such year by more than the elective deferral amount permitted under Code Section 402(g) for such year.

7. FINANCIAL HARDSHIP

Upon the written request of a Participant or a Participant's legal representative and a finding that continued deferral will result in an unforeseeable financial emergency to the Participant, the Committee or the Company (each in its sole discretion) may authorize (a) the payment of all or a part of a Participant's Compensation Account in a single installment prior to his or her ceasing to be a Participant or (b) cessation of deferrals. An unforeseeable financial emergency shall mean a severe financial hardship resulting from (i) an illness or accident of the Participant, the Participant's spouse or a dependent (as defined in Code Section 152(a)) of the Participant, (ii) loss of the Participant's property due to casualty or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The Committee or the Company may determine that a severe financial hardship exists only if the distribution is necessary in light of

immediate and heavy financial needs of the Participant which cannot be met from the other financial sources available to the Participant and if disallowance of the accelerated distribution would result in a severe financial hardship to the Participant. Amounts which are distributed under this provision will reduce the Participant's benefit.

8. MANNER OF ELECTION

(a) *General.* Any Employee selected by the Committee to participate in the Plan may elect to do so by delivering to Corporate Human Resources an Election on a form prescribed by Corporate Human Resources, designating the Compensation account to which the Deferred Compensation is to be credited, electing the timing and form of distribution, and setting forth the manner in which such Deferred Compensation shall be invested in accordance with Section 6 hereof. A Participant's Election must be filed at such time as designated by the Committee, but in no event later than the December 31 preceding the first day of the Plan Year in which the services are performed which relate to the Compensation being deferred. A Participant may submit a new Election with respect to Compensation earned in a subsequent Plan Year by filing a new Election no later than the December 31 preceding the first day of the Plan Year in which the services are performed which relate to the Compensation subject to the new Election. An effective Election may not be revoked or modified after the December 31 preceding the first Plan Year in which services are performed which relate to the Compensation subject to such Election. During a Plan Year, an Election shall be irrevocable, and the deferral percentage or amount elected by the Participant thereunder shall not be increased or decreased. If an Election has not been made with respect to Compensation to be earned in any Plan Year, the Participant shall be deemed to have elected not to have Deferred Compensation credited to his or her Account for such Plan Year with respect to Compensation earned during such Plan Year.

(b) *Performance-Based Compensation.* Notwithstanding subsection (a) above, in the case of an Election to defer Compensation which is Performance-Based Compensation, an Election must be made no later than a date (as determined by the Committee) that is six months before the end of the performance period, provided that, (1) the Participant continuously performs services from the date the performance criteria are established through the date the Participant makes his or her Election and (2) the Compensation is not substantially certain to be paid and is not readily ascertainable as of the date of such Election.

(c) *Forfeitable Rights.* Notwithstanding subsection (a) or (b) above, if the Compensation is subject to a forfeiture condition requiring the Participant's continued services for a period of at least 12 months from the date the Participant obtains the legally binding right to the Compensation, the Committee may permit a Participant to file an Election on or before the 30th day after the Participant obtains the legally binding right to the Compensation, provided that the Election is filed at least 12 months in advance of the earliest date at which the forfeiture condition could lapse.

(d) *New Participants.* Notwithstanding subsections (a), (b) or (c) above, in the case of a Participant who first becomes eligible to participate in this Plan during a Plan Year, an election to defer Compensation may be made within 30 days after the date the Employee first becomes eligible to participate in the Plan, provided that the Employee has not previously become eligible to participate in any other nonqualified account balance plan maintained by the Company (as defined in Treasury Regulation Section 1.409A-1(c)(2)(i)(A)), with respect to Compensation paid for services to

be performed subsequent to the Election, which shall be irrevocable during such initial year of participation. With respect to Compensation which is earned based upon a specified performance period, such as an annual bonus, such initial Election shall apply only to the portion of such Compensation equal to the total amount of Compensation for the performance period multiplied by the ratio of the number of days remaining in the performance period after the Election over the total number of days in the performance period. However, an election with respect to such Compensation may apply to the entire amount and/or be made at a later date, but only if otherwise permitted under subsection (b) above.

(e) *Suspension*. Notwithstanding any other provision of this Plan, if a Participant receives a safe harbor hardship distribution under any tax-qualified employee retirement plan maintained by his or her employer, all deferral elections of the Participant under the Plan shall be suspended for a period of at least six months, and the Participant shall not be eligible to resume deferrals hereunder until the Plan Year beginning after expiration of such six-month period.

(f) *Investment Alternatives — Existing Balances*. A Participant may elect to change an existing selection as to the investment alternatives in effect with respect to an existing Compensation Account (in increments prescribed by the Committee or the Company) as often, and with such restrictions, as determined by the Committee or by the Company.

(g) *Change of Beneficiary*. A Participant may, at any time, elect to change the designation of a Beneficiary in accordance with Section 10 hereof.

9. DISTRIBUTION

(a) *Retirement Account*. At the time that a Participant makes an Election to defer Compensation, he or she shall select a method for the distribution of the balance of that Deferred Compensation and any Company Credits credited during such Plan Year, including earnings on such amounts, and such election may include a different form of payment based on whether the Participant's Termination constitutes Retirement. Upon Termination, the balance of the Participant's Account shall be distributed to the Participant according to the pay-out method or methods selected by the Participant in his or her Elections, payable beginning with the January 31 following the date on which Termination occurs. A Participant may elect to receive his account distribution as a lump sum or in substantially equal annual installments over a set period up to 20 years. Notwithstanding a Participant's election, payment of benefits shall not be made or commence under the Plan prior to the date which is six months after the date of a Participant's Termination in the case of a Participant who is determined to be a Specified Employee at the time of his or her Termination. In such case, the Specified Employee's Account shall be credited with earnings or losses during such six-month period in accordance with Section 6 and distribution shall be made or commence on the day after the last day of such six-month period.

(b) *In-Service Account*. At the time a Participant makes an Election under the Plan, he or she may elect for the distribution of amounts subject to such Election, and earnings thereon, to be made in a specified year by electing to have such amounts credited to an In-Service Account. Distributions from an In-Service Account shall be paid in a single lump sum on the January 31 of the specified year (or as soon as practicable thereafter during the same calendar year). At the time of the Participant's Election, he or she may designate whether amounts in his or her In-Service

Account shall be paid upon Termination in a single lump sum on the January 31 following the date on which Termination occurs or whether such amounts shall be paid in the specified year. An Election to receive such amounts in a single lump sum upon Termination shall be subject to the six-month delay described in Section 9(a) for a Participant who is a Specified Employee at the time of his or her Termination. A Participant may make different Elections with respect to the applicable distribution periods for different deferral cycles in the In-Service Accounts.

(c) *Change of Distribution of Compensation Account.* A Participant will be allowed to change the Election as to the distribution of his or her Retirement Account or In-Service Account in accordance with rules established by the Committee by making a subsequent Election. If a Participant makes a subsequent Election, then (a) such election shall not take effect until 12 months after the date on which such election is made, and submitted to the Committee; (b) the first payment with respect to which such election is made shall be deferred for a period of 5 years from the date such payment would otherwise have been made; (c) any election related to a payment that was otherwise to be made at a specified time may not be made less than 12 months prior to the date of the first scheduled payment; and (d) with respect to a change in payment form, such change may not impermissibly accelerate the time or schedule of any payment under the Plan, except as provided in regulations promulgated by the Secretary of Treasury. For purposes of applying the provisions of this Section 9(c) to a Participant's Retirement Account, installment payments shall be considered a single payment for purposes of applying these subsequent election rules. For purposes of applying the provisions of this Section 9(c) to a Participant's In-Service Account, installment payments shall be considered separate payments for purposes of applying these subsequent election rules.

10. DEATH

In the event of the Participant's death, the Company shall pay all amounts in such Participant's Account to the Participant's Beneficiary in accordance with a Participant's Election for such amounts. A Participant may elect to have such amounts paid in a single lump sum no later than 30 days after the month in which the Participant's death occurs, in which case neither the Participant nor a Beneficiary shall have a right to designate the taxable year of the payment. Any election to have such amounts paid in a lump sum, or to change an election to have benefits on the Participant's death follow his or her original election, shall not be effective until the date which is 12 months after the date on which the election is made.

A Participant may designate one or more persons (including a trust) to whom or to which payments are to be made if the Participant dies before receiving distribution of all amounts due under the Plan. A Participant may, at any time, elect to change the designation of a Beneficiary. A designation of Beneficiary will be effective only after the signed designation of Beneficiary is filed with the Committee or its designee while the Participant is alive and will cancel all designations of Beneficiary signed and filed earlier. If the Participant fails to designate a Beneficiary as provided above or if all of a Participant's Beneficiaries predecease him or her and he or she fails to designate a new Beneficiary, the remaining unpaid amounts shall be paid to the estate of such Participant.

11. UNSECURED GENERAL CREDITOR STATUS OF EMPLOYEE

The payments to Participants and their Beneficiaries hereunder shall be made from the general corporate assets of the Company. No person shall have any interest in any such assets by virtue of the provisions of this Plan. The Company's obligation hereunder shall be an unfunded and unsecured promise to pay money in the future. To the extent that any person acquires a right to receive payments from the Company under the provisions hereof, such right shall be no greater than the right of any unsecured general creditor of the Company; no such person shall have nor acquire any legal or equitable right, interest or claim in or to any property or assets of the Company. Any accounts maintained under this Plan shall be hypothetical in nature and shall be maintained for bookkeeping purposes only. Neither the Plan nor any account shall hold any actual funds or assets.

12. INALIENABILITY OF BENEFITS

The interests of the Participants and their Beneficiaries under the Plan may not in any way be voluntarily or involuntarily transferred, alienated or assigned, nor subject to attachment, execution, garnishment or other such equitable or legal process. A Participant or Beneficiary cannot waive the provisions of this Section 12.

13. GOVERNING LAW

The provisions of this plan shall be interpreted and construed in accordance with the laws of the State of Missouri, except to the extent preempted by Federal law.

14. AMENDMENTS

The Committee may amend, alter or terminate this Plan at any time without the prior approval of the Board; provided, however, that the Committee may not, without approval by the Board, materially increase the benefits accruing to Participants under the Plan. A termination of the Plan must comply with the restrictions or requirements applicable under Code Section 409A and the regulations promulgated thereunder.

15. CLAIMS PROCEDURE

Any claim for benefits hereunder shall be conducted in accordance with the claims procedure applicable at such time under the Arch Coal, Inc. Employee Thrift Plan.

IN WITNESS WHEREOF, this amendment and restatement of the Plan is executed this 11th day of December, 2008.

ARCH COAL, INC.

By: /s/ Sheila B. Feldman
Title: Vice President; Human Resources

ARCH COAL, INC.
OUTSIDE DIRECTORS'
DEFERRED COMPENSATION PLAN

WHEREAS, Arch Coal, Inc. ("Company") previously adopted the Arch Coal, Inc. Outside Directors' Deferred Compensation Plan ("Plan"); and

WHEREAS, effective January 1, 2005, the Company began administering the Plan with respect to amounts deferred on and after January 1, 2005, in accordance with a good faith interpretation of Section 409A of the Internal Revenue Code of 1986, as amended ("Code"); and

WHEREAS, effective January 1, 2009, the Company desires to amend the Plan to incorporate provisions consistent with the final regulations promulgated under Code Section 409A; and

WHEREAS, with respect to deferrals (and earnings thereon) credited and vested prior to January 1, 2005, the terms of the Plan in effect as of December 31, 2004, shall continue to govern such benefits, and the provisions of that "grandfathered" portion of the Plan are set forth in a separate document;

NOW, THEREFORE, effective January 1, 2009, the portion of the Plan which is subject to Code Section 409A is restated as follows:

ARCH COAL, INC.
OUTSIDE DIRECTORS'
DEFERRED COMPENSATION PLAN
409A Document

1. PURPOSE

The purpose of this Arch Coal, Inc. Outside Directors' Deferred Compensation Plan (the "Plan") is to provide members of the Board who are not officers or employees of the Company with an opportunity to defer fees earned by them from the Company as a means of saving for retirement or other future purposes.

Effective January 1, 2005, the Company administered the Plan in accordance with a good faith interpretation of Section 409A of the Internal Revenue Code of 1986, as amended ("Code"). However, deferrals (and earnings thereon) made and vested prior to December 31, 2004, shall be "grandfathered" and governed by the document in effect as of December 31, 2004. Amounts (and earnings thereon) deferred or vested on or after January 1, 2005, by or on behalf of a Participant shall be governed by this 409A Document.

2. DEFINITIONS

The following definitions shall be applicable throughout the Plan:

- (a) "Accounting Date" means each Business Day on which a calculation concerning a Participant's Retirement Account is performed, or as otherwise defined by the Board.
 - (b) "Beneficiary" means the person(s) designated by the Participant in accordance with Section 11, or if no person(s) is/are so designated, the estate of a deceased Participant.
 - (c) "Board" means the Board of Directors of Arch Coal, Inc. or its designee.
 - (d) "Business Day" means a day on which the New York Stock Exchange is open for trading activity.
 - (e) "Common Stock" means the common stock, \$.01 par value, of Arch Coal, Inc.
 - (f) "Common Stock Fund" means that investment option, approved by the Board, in which a Participant's Retirement Account may be deemed to be invested and may earn income based on a hypothetical investment in Common Stock.
 - (g) "Company" means Arch Coal, Inc., its divisions, subsidiaries and affiliates.
 - (h) "Corporate Human Resources" means the Corporate Human Resources Department of the Company.
 - (i) "Credit Date" means the date on which Fees would otherwise have been paid to the Participant or, in the case of the Participant's designation of investment option changes, any date
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within three Business Days after the Participant's designation is received in accordance with the procedures established by the Board.

(j) "Deferred Fees" means the Fees elected by the Participant to be deferred pursuant to the Plan.

(k) "Election" means a Participant's delivery of a written notice of election to Corporate Human Resources electing to defer payment of all or a portion of his or her Fees (in accordance with rules prescribed by the Board) either until Termination, death or such other time as further provided by the Board or the Company.

(l) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(m) "Fair Market Value" means the price of a share of Common Stock, as reported on the Composite Tape for New York Stock Exchange issues on the date and at the time designated by the Company.

(n) "Fees" means any fees earned by a director of the Company.

(o) "Fiscal Year" means the fiscal year of the Company, which is currently the annual period commencing January 1 and ending the following December 31.

(p) "Outside Director" means a member of the Board who is neither an officer nor an employee of the Company.

(q) "Participant" means an Outside Director who has elected to defer payment of all or a portion of his or her Fees under the Plan.

(r) "Plan" means this Arch Coal, Inc. Outside Directors' Deferred Compensation Plan as it now exists or as it may hereafter be amended.

(s) "Retirement Account" means the account to which the Participant's Deferred Fees are credited and from which, pursuant to Section 9(a), distributions are made.

(t) "Service Year" means the calendar year or portion thereof during which the services have been rendered for which Fees are payable.

(u) "Stock Unit(s)" means the share equivalents credited to the Common Stock Fund of a Participant's Retirement Account pursuant to Section 6.

(v) "Termination" means termination of services as an Outside Director for any reason, as defined under Code Section 409A.

3. SHARES; ADJUSTMENTS IN EVENT OF CHANGES IN CAPITALIZATION

In the event of any change in the outstanding Common Stock of the Company by reason of any stock split, share dividend, recapitalization, merger, consolidation, reorganization, combination,

or exchange or reclassification of shares, split-up, split-off, spin-off, liquidation or other similar change in capitalization, or any distribution to common shareholders other than cash dividends, the number or kind of shares or Stock Units that may be credited under the Plan shall be automatically adjusted so that the proportionate interest of the Participants shall be maintained as before the occurrence of such event. Such adjustment shall be conclusive and binding for all purposes of the Plan.

4. ELIGIBILITY

All Outside Directors are eligible to participate in the Plan.

5. ADMINISTRATION

Full power and authority to construe, interpret and administer the Plan shall be vested in the Company and the Board. This power and authority includes, but is not limited to, selecting investment indices, establishing deferral cycles for purposes of Section 9(b), establishing deferral terms and conditions, and adopting modifications, amendments and procedures as may be deemed necessary, appropriate or convenient by the Board. Decisions of the Company and the Board shall be final, conclusive and binding upon all parties. Day-to-day administration of the Plan shall be the responsibility of Corporate Human Resources.

6. PARTICIPANT ACCOUNTS

Upon election to participate in the Plan, there shall be established a Retirement Account to which there shall be credited any Deferred Fees, as of each Credit Date. The Retirement Account shall be credited (or debited) on each Accounting Date with income (or loss) based upon a hypothetical investment in any one or more of the investment options available under the Plan, as prescribed by the Board for the particular Fees credited, which may include a Common Stock Fund, as elected by the Participant under the terms of Section 8.

7. FINANCIAL HARDSHIP

Upon the written request of a Participant or a Participant's legal representative and a finding that continued deferral will result in an unforeseeable financial emergency to the Participant, the Board (in its sole discretion) may authorize (a) the payment of all or a part of a Participant's Retirement Account in a single installment prior to his or her ceasing to be a Participant or (b) cessation of deferrals. An unforeseeable financial emergency shall mean a severe financial hardship resulting from (i) an illness or accident of the Participant, the Participant's spouse or a dependent (as defined in Code Section 152(a)) of the Participant, (ii) loss of the Participant's property due to casualty or (iii) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant. The Board may determine that a severe financial hardship exists only if the distribution is necessary in light of immediate and heavy financial needs of the Participant which cannot be met from the other financial sources available to the Participant and if disallowance of the accelerated distribution would result in a severe financial hardship to the

Participant. Amounts which are distributed under this provision will reduce the Participant's benefit.

8. MANNER OF ELECTION

(a) *General.* From time to time, the Board may impose a mandatory deferral of all or a portion of an Outside Director's Fees, and such amount (if any) will be automatically credited to the Common Stock Fund in his or her Retirement Account. Any such mandatory deferral shall be established no later than the December 31 preceding the first day of the Plan Year in which the services are performed which relate to the Fees subject to the mandatory deferral, and shall be irrevocable for such Plan Year. An Outside Director may elect to participate, or increase his or her participation in the Plan if a mandatory deferral applies, by delivering to Corporate Human Resources an Election on a form prescribed by Corporate Human Resources, electing the timing and form of distribution, and setting forth the manner in which such Deferred Fees shall be invested in accordance with Section 6 hereof. A Participant's Election must be filed at such time as designated by the Board, but in no event later than the December 31 preceding the first day of the Plan Year in which the services are performed which relate to the Fees being deferred. A Participant may submit a new Election with respect to Fees earned in a subsequent Plan Year by filing a new Election no later than the December 31 preceding the first day of the Plan Year in which the services are performed which relate to the Fees subject to the new Election. An effective Election may not be revoked or modified after the December 31 preceding the first Plan Year in which services are performed which relate to the Fees subject to such Election. During a Plan Year, an Election shall be irrevocable, and the deferral percentage or amount elected by the Participant thereunder shall not be increased or decreased. If an Election has not been made with respect to Fees to be earned in any Plan Year, the Participant shall be deemed to have elected not to have Deferred Fees credited to his or her Account for such Plan Year with respect to Fees earned during such Plan Year.

(b) *New Participants.* Notwithstanding subsections (a) above, in the case of a Participant who first becomes an Outside Director during a Plan Year, an election to defer Fees may be made within 30 days after the date he or she becomes an Outside Director, provided that the Outside Director has not previously become eligible to participate in any other nonqualified account balance plan maintained by the Company (as defined in Treasury Regulation Section 1.409A-1(c)(2)(i)(A)), with respect to Fees paid for services to be performed subsequent to the Election, which shall be irrevocable during such initial year of participation. With respect to Fees which are earned based upon a specified period, such initial Election shall apply only to the portion of such Fees equal to the total amount of Fees for the period multiplied by the ratio of the number of days remaining in the period after the Election over the total number of days in the period.

(c) *Investment Alternatives — Existing Balances.* A Participant may elect to change an existing selection as to the investment alternatives in effect with respect to an existing Retirement Account (in increments prescribed by the Board or the Company) as often, and with such restrictions, as determined by the Board or by the Company.

(d) *Change of Beneficiary.* A Participant may, at any time, elect to change the designation of a Beneficiary in accordance with Section 10 hereof.

9. DISTRIBUTION

(a) *Retirement Account.* At the time that a Participant makes an Election to defer Fees, he or she shall select the time and method for the distribution of the balance of those Deferred Fees, including earnings on such amounts. A Participant's Retirement Account will be paid upon his or her Termination, unless he or she elects at the time of deferral to have such amounts paid upon attainment of age 72, if later than Termination. Upon Termination, the balance of the Participant's Account shall be distributed to the Participant according to the pay-out method or methods selected by the Participant in his or her Elections, payable beginning with the January 31 following the date on which Termination occurs or, if later and elected by the Participant, the January 31 following the date the Participant attains age 72. A Participant may elect to receive his account distribution as a lump sum or in substantially equal annual installments over a set period up to 20 years, or according to any mathematically derivable formula which is acceptable to the Company.

(b) *Change of Distribution of Retirement Account.* A Participant will be allowed to change the Election as to the distribution of his or her Retirement Account in accordance with rules established by the Board by making a subsequent Election. If a Participant makes a subsequent Election, then (a) such election shall not take effect until 12 months after the date on which such election is made, and submitted to the Board; (b) the first payment with respect to which such election is made shall be deferred for a period of 5 years from the date such payment would otherwise have been made; (c) any election related to a payment that was otherwise to be made at a specified time may not be made less than 12 months prior to the date of the first scheduled payment; and (d) with respect to a change in payment form, such change may not impermissibly accelerate the time or schedule of any payment under the Plan, except as provided in regulations promulgated by the Secretary of Treasury. For purposes of applying the provisions of this Section 9(c) to a Participant's Retirement Account, installment payments shall be considered a single payment for purposes of applying these subsequent election rules.

10. DEATH

In the event of the Participant's death, the Company shall pay all amounts in such Participant's Account to the Participant's Beneficiary in accordance with a Participant's Election for such amounts. A Participant may elect to have such amounts paid in a single lump sum no later than 30 days after the month in which the Participant's death occurs, in which case neither the Participant nor a Beneficiary shall have a right to designate the taxable year of the payment. Any election to have such amounts paid in a lump sum, or to change an election to have benefits on the Participant's death follow his or her original election, shall not be effective until the date which is 12 months after the date on which the election is made.

A Participant may designate one or more persons (including a trust) to whom or to which payments are to be made if the Participant dies before receiving distribution of all amounts due under the Plan. A Participant may, at any time, elect to change the designation of a Beneficiary. A designation of Beneficiary will be effective only after the signed designation of Beneficiary is filed with the Board or its designee while the Participant is alive and will cancel all designations of Beneficiary signed and filed earlier. If the Participant fails to designate a Beneficiary as provided

above or if all of a Participant's Beneficiaries predecease him or her and he or she fails to designate a new Beneficiary, the remaining unpaid amounts shall be paid to the estate of such Participant.

11. UNSECURED GENERAL CREDITOR STATUS OF OUTSIDE DIRECTOR

The payments to Participants and their Beneficiaries hereunder shall be made from the general corporate assets of the Company. No person shall have any interest in any such assets by virtue of the provisions of this Plan. The Company's obligation hereunder shall be an unfunded and unsecured promise to pay money in the future. To the extent that any person acquires a right to receive payments from the Company under the provisions hereof, such right shall be no greater than the right of any unsecured general creditor of the Company; no such person shall have nor acquire any legal or equitable right, interest or claim in or to any property or assets of the Company. Any accounts maintained under this Plan shall be hypothetical in nature and shall be maintained for bookkeeping purposes only. Neither the Plan nor any account shall hold any actual funds or assets.

12. INALIENABILITY OF BENEFITS

The interests of the Participants and their Beneficiaries under the Plan may not in any way be voluntarily or involuntarily transferred, alienated or assigned, nor subject to attachment, execution, garnishment or other such equitable or legal process. A Participant or Beneficiary cannot waive the provisions of this Section 12.

13. GOVERNING LAW

The provisions of this plan shall be interpreted and construed in accordance with the laws of the State of Missouri, except to the extent preempted by Federal law.

14. AMENDMENTS

The Company may amend, alter or terminate this Plan at any time by resolution of the Board. A termination of the Plan must comply with the restrictions or requirements applicable under Code Section 409A and the regulations promulgated thereunder.

IN WITNESS WHEREOF, this amendment and restatement of the Plan is executed this 11th day of December, 2008.

ARCH COAL, INC.

By: /s/ Sheila B. Feldman
Title: Vice President; Human Resources