



CONFIRMATION AGREEMENT

Seller :

Alliance Coal, LLC

**1717 South Boulder Avenue, Suite 400
Tulsa, OK 74119**

Attn: Jared Griffith
General Manager - Sales
Tel. [REDACTED]
Email: [REDACTED]

Buyer :

Duke Energy Kentucky, Inc.

**526 South Church Street, EC02F
Charlotte NC 28202**

Attn: Ken Stover
Sr. Originator
Tel. [REDACTED]
Email: [REDACTED]
Ref. #: 34548

This Confirmation constitutes an agreement for the sale and purchase of coal and constitutes a “Confirmation” under the Master Agreement (as defined below) and will be effective as of the date that Buyer executes this Confirmation. This Confirmation shall be governed by the terms set forth herein and Buyer and Seller hereby incorporate the provisions of that certain Master Agreement dated January 1, 2017 between the parties as it has been or may be amended and supplemented from time to time (the “Master Agreement”) as terms and conditions to this Confirmation. All provisions contained in the Master Agreement govern this Confirmation to the extent not in conflict with the terms hereof. The terms of this Confirmation shall prevail in the event of an inconsistency between the terms of this Confirmation and the Master Agreement. The Confirmation shall be considered as a separate agreement between the parties effective on the date of execution of this Confirmation. Terms used but not defined herein shall have the meanings ascribed to them in the Master Agreement.

Quote Date: June 1, 2021

Commodity: Crushed coal, containing no synthetic fuels, and free from any extraneous materials, with no intermediate sizes added or removed and otherwise meeting the Specifications of this Confirmation.

Term: July 1, 2021 through August 31, 2021 inclusive (the “**Base Term**”) subject to the Extension Period if and to the extent applicable as set forth in the Contract Quantity Section below. (Such Base Term together with the Extension Period, if applicable, referred to herein as the “**Term**”).

Contract Quantity: Approximately 75,000 Tons (“**Contract Quantity**”). The Parties agree to use commercially reasonable efforts to sell, deliver, purchase, and accept, as applicable, one hundred percent (100%) of the Contract Quantity during the Base Term. Notwithstanding the foregoing, if and to the extent that during the Base Term Seller sells and delivers or Buyer

purchases and accepts, as applicable, less than one hundred percent (100%) of the Contract Quantity during the Base Term for any reason, then (a) the Term of this Agreement will automatically be extended to and including March 31, 2022 (“**Extension Period**”); (b) the volume of Contract Quantity that was not sold, delivered, purchased, and accepted hereunder during the Base Term (“**Shortfall Volume**”) will be sold, delivered, purchased, and accepted during the period of time commencing on January 1, 2022 and ending on March 31, 2022 (“**Q1 2022**”) and (c) such failure by Seller to sell and deliver or Buyer to purchase and accept, as applicable, one hundred percent (100%) of the Contract Quantity during the Base Term will not constitute or be deemed to constitute an event of default with respect to either Party, nor will either Party be subject to the payment of damages pursuant to the Master Agreement with respect to the Shortfall Volume provided that one hundred percent (100%) of the Shortfall Volume is sold, delivered, purchased, and accepted during the Q1 2022 period as provided herein.

Contract Price: \$40.00 USD per Ton of Coal delivered at the Delivery Point

Source: Tunnel Ridge (“**Mine**” or “**Source**”)

Delivery Point: F.O.B. barge (via the Ohio River Pike Island Pool) at MP 82.3 on the Ohio River

Scheduling: Per the Master Agreement

Weighing/Sampling and Analysis: Per the Master Agreement

Billing and Payment: Per the Master Agreement

Coal Quality

Price Adjustments: BTU adjustments per the Master Agreement
No other quality adjustments to apply

SO₂ Adjustment: Per the Master Agreement

Government

Impositions: The provisions of Section 4.3 of the Master Agreement do not apply to this Transaction.

Coal Quality (“As-Received” basis):

Characteristic:	<u>Specifications</u> (Monthly Weighted Average)	<u>Rejection Limit</u> (Per Shipment)
Higher Heating Value (BTU/Lb)	12,600 minimum	<12,300
Ash Content (%)	9.5% maximum	> 10.5%
*SO ₂ (Lbs./MMBTU) Content	5.2 Lbs. maximum	>5.5 Lbs.

Moisture Content (%)	7.0% maximum	>9.25%
Volatile Matter (%)	36.0% minimum	<34.0%
Fusion Temp (Initial Deformation °F, Reducing Atmos.)	2145°F minimum	<2125°F
Grindability (HGI)	50 minimum	< 48
Chlorine (ppm)	1000 maximum	>1300
Top Size	2" maximum	>2.5"
Fines (% By Weight Passing ¼" Screen)	55% maximum	N/A

*The pounds SO2 per MMBtu shall be determined by the following formula:

(As Received Percent Sulfur x 20,000) / As Received Btu/Lb. = Pounds SO2 per MMBtu

Other Terms and Conditions.

Seller represents and warrants that, as of the Quote Date and as of the date of this Confirmation, and, to the extent applicable, covenants for the Term of this Transaction that:

- (a) Seller presently owns or otherwise controls, and shall continue to own and control, whether directly or through an affiliate, Coal reserves in an amount sufficient to fulfill the terms of this Confirmation, the Coal contained in such reserves is mineable and of the quality called for by this Confirmation,
- (b) There are no existing contractual commitments with respect to Coal reserves that would prevent delivery of the quantities of Coal specified in this Confirmation and Seller will not enter into contractual commitments during the Term of this Confirmation that will prevent such delivery,
- (c) Seller owns and has in operation, and shall continue to own and operate, whether directly or through an affiliate, mining facilities and equipment sufficient to produce the quantities of Coal to be delivered under this Confirmation and has obtained all necessary governmental and other third party permits (excluding unforeseen events as set forth in Section 12 of the Master Agreement), approvals and licenses, and shall continue to retain or take all prudent and timely steps necessary for submission and application for renewal of governmental or third party permits, approvals and licenses, required in connection with the execution, delivery and performance of this Confirmation, and
- (d) Seller, directly or through an affiliate, will at all times conduct its mining operations in a prudent manner consistent with good and acceptable practice in the coal mining industry, and Buyer shall have the right, upon reasonable notice, at its own expense and risk, to have its representatives and/or qualified consultants observe and inspect Seller's facilities and operations, provided that such representatives and/or consultants shall comply with all applicable safety requirements and check-in procedures and shall not interfere with such operations.

No Precedent: The terms and conditions set forth in this Confirmation are for the purpose of the Transaction contemplated herein only and will not set or be construed or deemed to set a precedent for any future Transaction, if any, that may be entered into between Buyer and Seller.

Electronic Signatures: Each Party agrees that the Electronic Signatures, whether digital or encrypted, of the Parties to this Confirmation are intended to authenticate this writing and have the same force and effect as manual signatures. "Electronic Signature" means any

electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a Party with the intent to sign such record.

Please confirm that the foregoing correctly sets forth the terms of the agreement between Buyer and Seller as to this Transaction by timely returning an executed copy of this letter by email at the email address specified on the Confirmation.

Seller :
Alliance Coal, LLC

Buyer :
Duke Energy Kentucky, Inc.

By: Timothy J. Wheel
Name: Timothy J. Wheel
Title: SVP - Sales & Marketing
Date: 6/9/21

By: 
Name: Kim Hughes
Title: Manager, Coal Origination and Contract Administration
Date: Jun 11, 2021