



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. #: 34466

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: April 30, 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: January 1, 2022 through January 31, 2024 inclusive (the “Term”)

Contract Quantity: During the period of time commencing on January 1, 2022 and ending on December 31, 2022 (“Period 1”) approximately 300,000 Tons (“Period 1 Base Tons”) to be delivered in approximate equal monthly Shipments with a +/- 50% tonnage flexibility at Buyer’s sole discretion as provided in the Contract Quantity Flexibility Section below. During Period 1 (a) the first (1st) quarter/calendar quarter will commence on January 1, 2022 and will end on March 30, 2022 inclusive, (b) the second (2nd) quarter/calendar quarter will commence on April 1, 2022 and end on June

30, 2022 inclusive, (c) the third (3rd) quarter/calendar quarter will commence on July 1, 2022 and end on September 30, 2022 inclusive, and (d) the fourth (4th) quarter/calendar quarter will commence on October 1, 2022 end on December 31, 2022 inclusive.

During the period of time commencing on January 1, 2023 and ending on January 31, 2024 (“**Period 2**”) approximately 200,000 Tons (“**Period 2 Base Tons**”) to be delivered in approximate equal monthly Shipments with a +/- 50% tonnage flexibility at Buyer’s sole discretion as provided in the Contract Quantity Flexibility Section below. During Period 2 (a) the first (1st) quarter/calendar quarter will commence on January 1, 2023 and will end on March 31, 2023 inclusive, (b) the second (2nd) quarter/calendar quarter will commence on April 1, 2023 and end on June 30, 2023 inclusive, (c) the third (3rd) quarter/calendar quarter will commence on July 1, 2023 and end on September 30, 2023 inclusive, and (d) the fourth (4th) quarter/calendar quarter will commence on October 1, 2023 and continue for the four (4) month period ending on January 31, 2024 inclusive.

Contract Quantity Flexibility:

Buyer, in its sole discretion, shall have the right, by providing thirty (30) Days’ written notice prior to the beginning of such calendar quarter, as to whether it will flex the Contract Quantity up (increase Tons) or down (decrease Tons) by up to fifty percent (50%) of the quarterly Base Tons during the succeeding calendar quarter. For example, the total tonnage with respect to Period 1 could be plus or minus 37,500 Tons per quarter, up to a maximum of plus or minus 150,000 Tons during Period 1. Therefore, if Buyer exercised its total tonnage flexibility rights during Period 1, the total tonnage obligation for Period 1 could be a maximum of 450,000 Tons of Coal or a minimum of 150,000 Tons of Coal.

Contract Price: \$39.00 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:	Specifications (Monthly Weighted Average)	Rejection Limit (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:

$$(As\ Received\ Percent\ Sulfur\ \times\ 20,000) / As\ Received\ Btu/Lb. = Pounds\ SO_2\ per\ MMBtu$$

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.

Dodd-Frank. Duke Energy Kentucky, Inc. represents and warrants that: (a) it is a regulated electric load serving utility with an obligation to provide electric service to its customers, and is entering into this Confirmation to secure a source of physical supply of coal to operate its electric generating units to meet such load service obligations; and (b) the embedded volumetric optionality is primarily intended to address physical factors or regulatory requirements that reasonably influence demand for the coal.

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 facsimile or email at the fax number or email address specified on the Confirmation.

Seller :
Alliance Coal, LLC

Buyer :
Duke Energy Kentucky, Inc.

By: Timothy J. Wheeler
Name: Timothy J. Wheeler
Title: SVP - Sales & Marketing
Date: 5-18-21

By: Brett J. Phipps
Brett J. Phipps (May 20, 2021 13:54 EDT)
Name: Brett J. Phipps
Title: Managing Director Fuel Procurement
Date: May 20, 2021