

COAL SUPPLY AGREEMENT

BETWEEN

PEABODY COALSALES, LLC

AND

LOUISVILLE GAS AND ELECTRIC COMPANY

and

KENTUCKY UTILITIES COMPANY

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COAL SUPPLY AGREEMENT

This is a coal supply agreement (the “Agreement”) dated March 10, 2021 between LOUISVILLE GAS AND ELECTRIC COMPANY (“LG&E”) and KENTUCKY UTILITIES COMPANY (“KU”), each a Kentucky corporation, with a common address at 220 West Main Street, Louisville, Kentucky 40202 (LG&E and KU are each individually sometimes herein called a “Buyer” as more particularly described below) and Peabody COALSALES, LLC (“Peabody”), a Delaware limited liability company, with an address at 701 Market Street, St. Louis, Missouri 63101 (herein called the “Seller”).

WITNESSETH:

WHEREAS, LG&E and KU are electric utility companies which desire to purchase steam coal; and

WHEREAS, Buyer and Seller desire to enter into a coal supply agreement pursuant to which the Seller will supply coal to Buyer under the terms as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1. GENERAL.

- (a) The above recitals are true and correct and comprise a part of this Agreement.

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(b) The Seller acknowledges that, while there will be no effect on the Base Quantity set forth in Section 3 below, LG&E and KU will allocate the quantity of coal to be purchased and received hereunder between themselves and that such allocation may change from time to time, at the sole discretion of LG&E and KU. Therefore, the term “Buyer” as used herein shall mean: (a) with respect to any particular “Shipment” (as such term is defined in §6.2 below) actually received by either LG&E or KU, the party who actually received such shipment; and (b) as may be determined by LG&E and KU, in their sole discretion with respect to any time or circumstance under this Agreement that the party or parties constituting “Buyer” is not determined pursuant to clause (a) immediately above (including, without limitation, matters involving exercise of rights or remedies by Buyer or enforcing obligations, duties and liability against Buyer by Seller not involving Shipments or prior to receipt of Shipments), LG&E or KU (and in such percentage allocation, if applicable) as may be determined by LG&E and KU in their sole discretion. As provided in §18.8 below, Seller agrees that the liability of each of LG&E and KU shall at all times be several and not joint. Each party shall have the obligations, duties and liability of a Buyer hereunder only to the extent (and in the percentage, if applicable) that each such party is determined to be a “Buyer” pursuant to this paragraph. Also, LG&E and KU each shall have the rights and remedies of a Buyer hereunder only to the extent (and in the percentage, if applicable) that each of them is determined to be a “Buyer” pursuant to this paragraph. In the event the determination of the “Buyer” pursuant to this paragraph is found contrary to law or unenforceable by any court of law, or cannot be reasonably made with respect to any particular circumstance for

any reason, the rights, remedies, obligations, duties and liabilities of Buyer shall be allocated to each of LG&E and KU, severally and not jointly, 50% to each party.

(c) Seller will sell and deliver to Buyer, and Buyer agrees to purchase and receive from Seller, steam coal subject to the terms and conditions set forth herein.

(d) Each covenant, representation and warranty given by Seller herein is a material inducement for Buyer to enter into this Agreement.

SECTION 2. TERM. The term of this Agreement shall commence as of the date hereof and shall continue through December 31, 2024, unless sooner terminated pursuant to any of the terms set forth herein. Deliveries shall be made starting in the second (2nd) Quarter of 2021. The term may be extended as provided herein.

SECTION 3. QUANTITY.

§3.1 Base Quantity. Subject to the terms and conditions set forth in this Agreement, Seller shall sell and deliver, or cause to be delivered and Buyer shall purchase and receive, or cause to be received, a total of 1.5 million tons subject to the following annual base quantity of coal nominated by Buyer (“Base Quantity”) on a monthly basis:

<u>YEAR</u>	<u>BASE QUANTITY (TONS)</u>	<u>MONTHLY NOMINATION (TONS)</u>
2021	240,000 - 560,000	30,000 – 70,000
2022	360,000 – 840,000	30,000 – 70,000
2023	360,000 – 840,000	30,000 – 70,000

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2024	0 – 540,000	0 – 70,000
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The Base Quantity of coal scheduled to be nominated and delivered in a given calendar year as set forth in the table above, plus any Make-Up Tons required to be delivered pursuant to §3.2 (the Base Quantity plus any Make-Up Tons being hereafter collectively referred to as the “Annual Quantity”) shall be nominated for and delivered during that calendar year. The minimum and maximum Base Quantities or Annual Quantities (including monthly nominations) may be modified as mutually-agreed in writing by the parties from time-to-time, to achieve 1.5 million tons delivered and received by December 31, 2024, subject to a party’s applicable rights or obligations pursuant to other terms and conditions herein including, but not limited to, Make-Up Tons, Force Majeure, and applicable suspension or termination rights.

§3.2 Make-Up Tons. Notwithstanding the provisions of §3.1 above, if Seller or Buyer fails to supply to or to take delivery of (as applicable) the entire nominated Base Quantity scheduled for a particular year for any reason other than a Force Majeure Event (as provided in Section 10 hereof), then the non-defaulting party, may, at its sole option and without any obligation to do so, elect to make up such undelivered or unreceived quantities (“Make-Up Tons”) by having the defaulting party deliver or take delivery of the Make-Up Tons during the calendar year immediately following the calendar year in which such Make-Up Tons should have been delivered (the “Make-Up Year”). If necessary, the term of this Agreement will be automatically extended to include the Make-Up Year. Prior to making such election, the non-defaulting party may request from the defaulting party adequate assurances, satisfactory to non-defaulting party,

that the defaulting party is capable of delivering or receiving, and will deliver or receive (i) the Base Quantity established for the Make-Up Year by this Agreement and (ii) the Make-Up Tons during the Make-Up Year.

In the event the non-defaulting party makes the election to deliver or receive Make-Up Tons, as applicable, the defaulting party shall deliver or receive both the Base Quantity and the Make-Up Tons during the Make-Up Year pursuant to a new, mutually-agreed delivery schedule incorporating the delivery of the additional Make-Up Tons. In such event, for accounting and payment purposes, the first tons delivered in the Make-Up Year shall be considered to be the Make-Up Tons, and deliveries of Make-Up Tons will not be considered a part of the Base Quantity established for the Make-Up Year.

If the defaulting party's failure to deliver or receive all of the Base Quantity during a particular year constitutes a breach of this Agreement, the existence of this §3.2 shall not act as a waiver by the non-defaulting party of such breach, nor shall it act as a limitation on the non-defaulting party's remedies. However, if the non-defaulting party elects to deliver or receive the Make-Up Tons as provided in this §3.2, then such election and the receipt or delivery of the Make-Up Tons in the Make-Up Year shall be the non-defaulting party's sole and exclusive remedy. Nothing in this §3.2 shall limit the remedies of the non-defaulting party for any failure of the defaulting party to perform with regard to the delivery or receipt of Make-Up Tons.

§3.3 Nomination and Delivery Schedule. Monthly nominations by Buyer, which may be made by facsimile or email to contact(s) agreed upon by the parties, will be made on a monthly

basis, forty-five (45) days before the beginning of a month, taking into account Buyer's outages, Seller's annual miner's vacation, and minor delays in transportation. In the event that no nomination is made in a particular month, the minimum nominations in §3.1 shall apply. The parties will cooperate in the development of any adjustments to the delivery schedule. Initial shipments shall begin in the second (2nd) Quarter of 2021. Time is of the essence with respect to the Seller's deliveries once a schedule is established.

SECTION 4. SOURCE.

§4.1 Source. The coal sold hereunder shall be supplied (a) from geological seams Indiana #5 and #5A, from Seller's affiliated Wild Boar Mine located in Warrick County, Indiana and from geological seams Indiana #5, #6 and #7 from Seller's affiliated Seven Hills Pit, located in Warrick County, Indiana and (b) from geological seam Indiana #5, from Francisco Underground Mine, located in Gibson County, Indiana, (each, including any extension of such sites, individually a "Coal Property," and, collectively, the "Coal Properties"), except to the extent Seller provides substitute coal in accordance with the terms of this Agreement. Seller represents that its affiliated company or the producer identified in Exhibit B (the "Producer") have title to or legal control over the Coal Properties and the coal located on the Coal Properties. Seller also represents and warrants that the coal, when delivered to Buyer will be free and clear of all liens and encumbrances and that Buyer will have good and marketable title to the delivered coal.

§4.2 Assurance of Capacity, Operation and Reserves. Subject to the provisions of this Agreement, Seller represents and warrants that the Coal Properties contain coal of such quality

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and in such quantities as will be sufficient to satisfy all the requirements of this Agreement. Seller agrees and warrants that it will have at the Coal Properties adequate machinery, equipment and other facilities to produce, prepare and deliver coal in the quantities and of the quality required by this Agreement. Seller further agrees to operate and maintain such machinery, equipment and facilities in accordance with good mining practices so as to efficiently and economically produce, prepare and deliver such coal. Seller agrees that Buyer is not providing any capital for the purchase of such machinery, equipment and/or facilities and that Seller shall operate and maintain same at its sole expense. Seller has or timely will obtain, and will maintain, all required permits and licenses for the production and delivery of the coal as required by this Agreement. Seller recognizes that the process of obtaining permits may be subject to delays and regulatory uncertainties. Seller agrees and covenants to plan the permit acquisitions so as to prevent any interruption in its planned operations. Seller represents and warrants that it has the right and authority to sufficient coal meeting the quality specifications hereof and lying on or in the Coal Properties to fulfill the Seller's obligations hereunder. For the avoidance of doubt, nothing herein this Section shall give Buyer an independent cause of action for a breach of a representation or warranty contained in this §4.2, so long as the Seller otherwise continues to supply the coal required to be delivered hereunder in accordance with the other terms and conditions of this Agreement, or unless the Buyer has suffered actual losses as a result of such breach.

§4.3 Non-Diversion of Coal. Seller agrees that it will not, without Buyer's express prior written consent, use or sell coal from the Coal Properties in a way that will reduce the quantity of coal to less than the quantity required to be supplied hereunder to Buyer.

§4.4 Sellers Preparation of Mining Plan. Seller shall, upon Buyer's request, allow Buyer to review at the respective Coal Properties, information constituting a mining plan which shall contain maps and a narrative describing areas and seams of coal to be mined and shall include (but not be limited to) the following information: (i) reserves from which the coal will be produced during the term hereof and the mining sequence, by year (or such other time intervals as mutually agreed) during the term of this Agreement, (ii) methods of mining such coal; (iii) methods of transporting and washing the coal to insure compliance with the quantity and quality requirements of this Agreement including a description and flow sheet of the preparation plant; (iv) quality data plotted on the maps depicting data points and isolines by ash, sulfur, and Btu; (v) quality control plans including sampling and analysis procedures; and (vi) Seller's aggregate commitments to redacted third parties to sell coal from the Coal Properties during the term of this Agreement. Buyer shall not be entitled to remove or make copies of such information from the mine.

Buyer's receipt of the mining plan or other information or data furnished by Seller (the "Mining Information") shall not in any manner relieve Seller of any of Seller's obligations or responsibilities under this Agreement; nor shall Buyer's review of the Mining Information be construed as constituting an approval of Seller's proposed mining plan for any purposes. Review by Buyer of Mining Information is solely for the purpose of allowing Buyer to evaluate Seller's

capability to supply coal as required by this Agreement, and the provision of Mining Information by Seller shall not provide Buyer with any right, or impose upon Buyer any duty or obligation, to exercise any direction or control over Seller's mining or reclamation operations. Seller agrees that it shall not rely upon its provision of Mining Information in response to any claim by Buyer that Seller has breached or failed to properly perform any of Seller's obligations under this Agreement. To the extent it can legally do so, Buyer shall maintain as confidential all Mining Information disclosed by Seller and shall not disclose or use such Mining Information for any purposes other than to evaluate Seller's performance and compliance with the provisions of this Agreement.

Upon request, Buyer shall have the right to request a mining plan update ("Update") showing progress to date, Seller's conformity to original mining plan, then-known changes in reserve data, and planned changes in mining progression, plans or procedures.

§4.5 Substitute Coal. In the event that Seller is unable to produce or obtain coal from the Coal Properties in the quantities and of the quality required by this Agreement, and such inability is not caused by a Force Majeure Event as defined in Section 10, then Buyer will have the option of requiring that Seller supply substitute coal, if available, from other facilities and mines under its control or the control of its affiliates in accordance with all the terms and conditions of this Agreement including without limitation the price provisions of Section 8, the quality specifications of §6.1, and the provisions of Section 5 concerning reimbursement to Buyer for increased transportation costs. Seller's delivery of coal not produced from the Coal Properties

without having received the express written consent of Buyer shall constitute a material breach of this Agreement.

§4.6 Authority. Seller and Seller's affiliated company operating the mine shall each have sole and exclusive authority to direct and control its respective activities and operations, and those of any subcontractors, undertaken in the performance of Seller's obligations under this Agreement. Seller and Producer shall each exercise full and complete control over its respective work force and labor relations policies. Buyer shall have no authority or control over either Seller's or Producer's operations or work force.

SECTION 5. DELIVERY.

§5.1 Barge Delivery Point. Upon thirty (30) days advance written notice Buyer may request to receive coal F.O.B. barge. Upon receipt of Buyer's request to receive coal F.O.B. barge, Seller will use commercially reasonable efforts to load and deliver coal hereunder F.O.B. barge at the following facility: the Warrick County Terminal at Mile Point 772.5 on the Ohio River, known as the "Barge Delivery Point". To the extent that Seller fails to provide barge coal and such failure is not excused under Force Majeure or other provisions of this Agreement, such tons shall be considered Make-Up Tons subject to Buyer's rights and options under §3.2. Provided, however, if the Buyer or Buyer's barging contractor ("Contractor") is not permitted or able to take possession and control of the barge at such dock (for example, if the dock is part of a closed harbor), then the coal is not considered delivered hereunder unless and until Buyer or Contractor actually takes possession and control of such barge. In such case, the point where

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Buyer or Contractor actually takes possession and control of the barge shall be considered the Barge Delivery Point hereunder. Seller may deliver the coal at a mutually-agreeable location different from the Barge Delivery Point. In such a case, however, Seller shall reimburse Buyer for any resulting increases in the cost of transporting the coal to the destination designated by Buyer. Any resulting savings in such transportation costs shall be retained by Buyer.

§5.2 Barge Title and Risk of Loss. Title to and risk of loss of coal sold will pass to Buyer, and the coal will be considered to be delivered, when barges containing the coal are disengaged by Contractor from the Barge Delivery Point, or any alternative location agreed to by Buyer pursuant to §5.1.

§5.3 Barge Cost of Transportation. Seller shall arrange and pay for all costs of: (i) transporting the coal from the Coal Properties or other authorized source mines as provided herein to the Barge Delivery Point, (including without limitation, all truck, rail, barge and transloading costs, and all fleeting, switching, harbor and other port charges) and (ii) loading and trimming the coal into barges to the proper draft and the proper distribution within the barges. Buyer shall arrange and pay for transporting the coal by barge from the Barge Delivery Point to the destination designated by Buyer. For transportation delays which are not the fault of Buyer or Contractor, Seller shall promptly pay any demurrage or other penalties incurred by Contractor or by Buyer which accrue at the Barge Delivery Point, including the demurrage, if actually paid by Buyer; provided, however, that Buyer shall not change or agree to a change in barge contractor's tariff which adversely affects Seller's performance without the prior written notice and consent of

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Seller, which consent shall not be unreasonably withheld or delayed. Seller shall also be responsible for and promptly pay all penalties for loading less than the specified minimum tonnage per barge, or other penalties assessed for barges not loaded in conformity with applicable requirements.

§5.4 Barge Shipping Logistics. Buyer shall be responsible to deliver barges in as clean and dry condition as practicable and shall furnish suitable barges in accordance with a delivery schedule provided by Buyer to Seller. Seller shall require of the loading dock operator that: (i) the barges and towboats provided by Buyer or Contractor be provided convenient and safe berth, free of wharfage, dockage, fleeting, switching, and other harbor and port charges; (ii) that while the barges are in the care and custody of the loading dock, all U.S. Coast Guard regulations and other applicable laws, ordinances, rulings, and regulations shall be complied with, including adequate mooring and display of warning lights; (iii) that any water in the cargo boxes of the barges be pumped out by the loading dock operator prior to loading; (iv) the loading operations be performed in a workmanlike manner and in accordance with the reasonable loading requirements of Buyer and Contractor.

§5.5 Rail Delivery Point. For rail deliveries of coal, Seller shall deliver the coal to Buyer F.O.B. railcar at anyone or each of the following: (a) the Wild Boar Loadout rail loading facility near Lynnville, Indiana on the Indiana Southern Railroad and/or the Norfolk Southern railroad or, (b) the Francisco Loadout rail loading facility near Francisco, Indiana on the Norfolk Southern railroad, known individually or collectively as the “Rail Delivery Point”. Seller may deliver the

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coal at a mutually-agreeable location different from the Rail Delivery Point. In such case, however, Seller shall reimburse Buyer for any resulting increases in the cost of transporting the coal to the destination designated by Buyer. Any resulting savings in such transportation costs shall be retained by Buyer. Seller shall carry Railroad Liability coverage equal to or greater than the Commercial General Liability coverage amount stated in Section 12.

§5.6 Rail Title and Risk of Loss. Title to and risk of loss of the coal will pass to Buyer, and the coal will be considered to be delivered, when the railcars loaded with coal exit the property at the Rail Delivery Point.

§5.7 Rail Transportation Costs and Logistics. Buyer or its contractor shall furnish suitable railcars in accordance with a delivery schedule provided by Buyer to Seller. Seller shall be responsible for and pay the costs associated with any damages suffered by railcars owned or leased by Buyer or railcars owned or leased by the railroad, while such railcars are at the Rail Delivery Point or are in Seller's control or custody. Seller shall comply with the applicable provisions of Buyer's rail contractor's tariff; provided, however, that Buyer shall not change or agree to a change in rail contractor's tariff which adversely affects Seller's performance without the prior written notice and consent of Seller, which consent shall not be unreasonably withheld or delayed.

§5.8 Rail Freeze Conditioning. At Buyer's request, Seller shall treat (or have treated) any shipment of coal hereunder with a freeze conditioning agent approved by Buyer in order to maintain coal handling characteristics during shipment. If requested by Buyer, Seller shall also

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treat (or have treated) any railcars specified by Buyer with a side release agent approved by Buyer. The price for each such requested chemical treatment shall be an amount equal to Seller's cost (which includes cost of materials applied and routine equipment maintenance costs) on a per-gallon basis for each application of freeze conditioning agent or side release agent, as the case may be. Seller shall invoice Buyer for all such treatment, and payment for same shall be made in accordance with §9.2 and §9.3 below.

§5.9 Truck Delivery Point. Upon request of Buyer, Seller will use commercially reasonable efforts to load and deliver coal hereunder to Buyer Truck Delivery Point of E.W. Brown Station coal stockpile located at 815 Dix Dam Road, Harrodsburg, Kentucky 40330 (the "Truck Delivery Point").

§5.10 Truck Title and Risk of Loss. Title to and risk of loss of coal will pass to Buyer, and the coal will be considered to be delivered, when coal is delivered and dumped at the Truck Delivery Point.

§5.11 Truck Transportation Costs and Logistics. Seller shall arrange and pay for all costs of: (i) transporting the coal from the Coal Properties or other authorized source mines as provided herein to the Truck Delivery Point. All trucks are expected to conform to the Indiana and Kentucky Department of Transportation rules and regulations, and Seller is responsible for all costs incurred. Failure to adhere to either Indiana or Kentucky DOT rules and regulations may result in termination of truck deliveries at the sole discretion of Buyer, without limitation as to any other rights or remedies.

SECTION 6. QUALITY.

§6.1 Specifications. The coal under this Agreement shall conform to the following specifications on an “as received” basis:

Specifications	Guaranteed Monthly Weighted Average (1)	Rejection Limits (per shipment)
BTU/LB.	min. <u>11,000</u>	< <u>10,750</u>
<u>LBS/MMBTU:</u>		
MOISTURE	max. <u>14.0</u>	> <u>15.5</u>
ASH	max. <u>9.2</u>	> <u>10.5</u>
SULFUR	max. <u>3.00</u>	> <u>3.30</u>
SULFUR	min. <u>2.00</u>	< <u>1.70</u>
CHLORINE (parts per million)	max. <u>500</u>	> <u>1000</u>
NITROGEN	max. <u>1.6</u>	> <u>1.9</u>
ARSENIC (parts per million)	max. <u>6.0</u>	> <u>10.0</u>
CALCIUM OXIDE (% of Ash)	<u>2.00</u>	< <u>4.50</u>
<u>SIZE (2" x 0"):</u>		
Top size (inches)*	max. <u>2.0</u>	> <u>3.0</u>
Fines (% by wgt)		
Passing 1/4" screen	max. <u>50%</u>	> <u>55%</u>
<u>% BY WEIGHT:</u>		
VOLATILE	min. <u>34</u>	< <u>32</u>
FIXED CARBON	min. <u>40</u>	< <u>38</u>
GRINDABILITY (HGI)	min. <u>65</u>	< <u>55</u>
BASE ACID RATIO (B/A)	max. <u>0.5</u>	> <u>1.7</u>
SLAGGING FACTOR**	max. <u>2.0</u>	> <u>2.5</u>
FOULING FACTOR***	max. <u>0.30</u>	> <u>0.50</u>

ASH FUSION TEMPERATURE (°F) (ASTM D1857)

REDUCING ATMOSPHERE

Initial Deformation	min. <u>2,000</u>	min. <u>1,925</u>
Softening (H=W)	min. <u>2,100</u>	min. <u>2,000</u>
Softening (H=1/2W)	min. <u>2,200</u>	min. <u>2,075</u>
Fluid	min. <u>2,350</u>	min. <u>2,150</u>

OXIDIZING ATMOSPHERE

Initial Deformation	min. <u>2,500</u>	min. <u>2,400</u>
Softening (H=W)	min. <u>2,525</u>	min. <u>2,450</u>
Softening (H=1/2W)	min. <u>2,550</u>	min. <u>2,475</u>
Fluid	min. <u>2,575</u>	min. <u>2,500</u>

(1) An actual Monthly Weighted Average will be calculated as applicable for each specification for coal loaded hereunder during a calendar month.

* All the coal will be of such size that it will pass through a screen having circular perforations two (2) inches in diameter, but shall not contain more than fifty per cent (50%) by weight of coal that will pass through a screen having circular perforations one-quarter (1/4) of an inch in diameter.

** Slagging Factor (R_s)=(B/A) x (Percent Sulfur by Weight_{Dry})

*** Fouling Factor (R_f)=(B/A) x (Percent Na₂O by Weight_{Dry})

The Base Acid Ratio (B/A) is herein defined as:

$$\text{BASE ACID RATIO (B/A)} = \frac{(\text{Fe}_2\text{O}_3 + \text{CaO} + \text{MgO} + \text{Na}_2\text{O} + \text{K}_2\text{O})}{(\text{SiO}_2 + \text{Al}_2\text{O}_3 + \text{TlO}_2)}$$

Note: As used herein > means greater than:
 < means less than.

Each Shipment shall have coal of substantially the same quality throughout.

§6.2 Definition of “Shipment”. As used herein, a “Shipment” shall mean one (1) barge load, one (1) unit trainload or one (1) day’s deliveries by truck that are received and unloaded.

§6.3 Rejection. Buyer has the right, but not the obligation, to reject any Shipment which is subject to rejection based on any or all of the Rejection Limits set forth in §6.1 or which contains extraneous materials (“Non-Conforming Coal”). Buyer must reject Non-Conforming Coal within seventy-two (72) hours of Buyer’s receipt of the coal analysis provided for in §7.2, or the right to reject such Non-Conforming Coal is waived. If the Buyer rejects such Non-Conforming Coal, title to and risk of loss of the Non-Conforming Coal shall be considered to have never passed to Buyer (“Rejected Coal”), and Buyer shall return the coal to Seller, or at Seller’s request, the Buyer shall allow Seller to receive the Non-Conforming Coal or divert such coal to Seller’s designee, all at Seller’s sole cost and risk.

Seller shall use commercially reasonable efforts to replace the Rejected Coal as soon as possible after receipt of notice of rejection with coal from the Coal Properties that is of a quality not subject to any of the Rejection Limits set forth in §6.1 (“Replacement Coal”). If Seller fails to replace the Rejected Coal within a ten (10) business day period after the notice of rejection, or if the Replacement Coal is rightfully rejected, Buyer may purchase coal from another source in order to replace the Rejected Coal (“Cover Coal”). In such a case, Seller shall reimburse Buyer for (i) any amount by which the actual price plus transportation costs to Buyer of Cover Coal exceeds the price Buyer would have paid for such coal under this Agreement plus the transportation costs to

Buyer from the Delivery Point; and (ii) any and all transportation, storage, handling, or other expenses that have been incurred by Buyer in connection with Rejected Coal. Rejected Coal tonnages shall not be included in the calculation of the actual Monthly Weighted Average quality of the coal loaded during the Delivery Month (as defined in §8.2 below) or any quality price adjustments for the Delivery Month. Tonnages of Rejected Coal shall not be included in the total of tons delivered under this Agreement. Tonnages of Replacement Coal and/or Cover Coal shall be included in the total of tons delivered under this Agreement and in the calculation of the actual Monthly Weighted Average.

If Buyer fails to reject a Non-Conforming Coal which it had the right to reject, then such Non-Conforming Coal shall be deemed accepted by Buyer, and its quality characteristics shall be included in any quality calculations for the Delivery Month. However, Buyer shall have the option, in its sole discretion, to exclude accepted Non-Conforming Coal from the total annual tonnage of coal that Seller is obligated to sell to Buyer under this Agreement. Accepted Non-Conforming Coal shall nevertheless be considered “rejectable” for purposes of §6.4. For Shipments containing extraneous materials, which include, but are not limited to, slate, rock, wood, corn husks, mining materials, metal, steel, etc., the estimated weight of such materials shall be deducted from the weight of the applicable Shipment.

§6.4 Suspension and Termination.

If (a) the coal sold hereunder during a month fails to meet one (1) or more of the Guaranteed Monthly Weighted Average specifications set forth in §6.1 for any two (2) Delivery Months in a

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six (6) consecutive month period, or (b) two (2) barge Shipments in a thirty (30) consecutive day period are rejectable by Buyer, or (c) Buyer receives at its generating station(s) one (1) rail Shipment which are rejectable in any thirty (30) consecutive day period, then Buyer may upon notice (which need not comply with Section 11) confirmed in writing and sent in accordance with Section 11, suspend future Shipments of coal hereunder, except for coal already loaded into barges, trucks and/or railcars at the time notice is given. Seller shall, within ten (10) days of such notice, provide Buyer with reasonable assurances that future Shipments of coal will meet or be of a quality superior to the Guaranteed Monthly Weighted Average specifications set forth in §6.1 and will be of a quality superior to the rejection limits set forth in §6.1.

Buyer may not invoke its right to reject a Shipment for exceedance of the per Shipment basis moisture and BTU specification if Seller demonstrates to Buyer's satisfaction that the moisture content of the Shipment has been increased due to heavy precipitation during production and shipment, however its quality characteristics shall be included in any quality calculations for the Delivery Month.

If Seller fails to provide such assurances within said ten (10) day period, Buyer may terminate this Agreement by giving written notice of such termination at the end of the ten (10) day period. If Seller provides such assurances to Buyer's reasonable satisfaction, shipments hereunder shall resume, and any tonnage deficiencies resulting from suspension may be made up at Buyer's sole option, based on a mutually agreeable schedule. Buyer shall not unreasonably withhold its acceptance of Seller's assurances or delay the resumption of shipments.

If after deliveries resume, Seller's deliveries fail to meet any of the Guaranteed Monthly Weighted Average specifications for any one (1) Delivery Month within the next six (6) consecutive months or if one (1) barge shipment, or one (1) rail shipment are rejectable within any one (1) Delivery Month during such six (6) consecutive month period, then Buyer may terminate this Agreement and exercise all its other rights and remedies available to it under applicable law and in equity for Seller's breach.

If Buyer refrains from terminating this Agreement as a result of one or more Non-Conforming Shipments of coal as provided herein, Buyer shall not be deemed to have waived its right to terminate this Agreement for any future breach of the Agreement.

SECTION 7. WEIGHTS, SAMPLING AND ANALYSIS.

§7.1 Weights. Seller shall determine and transmit to Buyer loading weights on the basis of certified scales or barge draft weights at the loading point and qualitative analysis for each Shipment of coal, as quickly as possible. However, except as otherwise provided herein or if the parties agree otherwise, the weight of each coal Shipment under this Agreement shall be determined for payment purposes (the "Payment Weight") by Seller on the basis of certified scale weights at either the Rail Delivery Point, or draft weights as calculated by a qualified person at the Barge Delivery Point or Seller's certified truck scales at each shipping point to be applied to coal delivered to the Truck Delivery Point. Seller shall provide Buyer with a written copy of Seller's drafting procedure. Seller shall notify Buyer of any requested changes to the drafting procedure, and gain Buyer's approval prior to making any changes to the drafting procedure.

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Buyer shall have the right, at Buyer's expense and upon reasonable notice, to have the draft survey checked for accuracy at any reasonable time or frequency. If the draft survey is found to be over or under tolerance range allowable for the draft survey based on industry accepted standards, either party shall pay to the other any amounts owed due to such inaccuracy for a period not to exceed thirty (30) days before the time any inaccuracy of draft survey is determined.

If Seller's scale is inoperable or if Seller fails to obtain a sample of the coal for qualitative analysis upon loading, the Buyer's unloading weight shall be used for the relevant Shipment, and the Buyer's analysis shall be the analysis used in determining the payment for the relevant Shipment (the "Payment Analysis"). Buyer will be notified as soon as possible whenever the Seller's certified scale or sampling equipment is out of operation.

For all coal delivered and unloaded at Buyer's Trimble County Generating Station, the unloaded weight for each Shipment, shall be determined using a barge lot weighing method. If more than one (1) of Seller's barges are unloaded sequentially, an actual unloaded weight shall be recorded, on the basis of Buyer's scale weights for the total of all Seller's barges unloaded in this sequence. The assigned unloaded weight for each such Shipment shall be proportioned based upon Seller's load weight for each barge and the total weight for all Seller's barges unloaded in that sequence.

Scales (whether Buyer's or Seller's) shall be operated in accordance with NIST Handbook 44. Such scales shall be duly reviewed by an appropriate testing agency and maintained in an accurate condition and certified (i.e. material tested) at least annually in accordance with NIST

Handbook 44 with a third-party oversight. Buyer shall have the right, at Buyer's expense and upon reasonable notice, to have the Seller's scales checked for accuracy at any reasonable time or frequency.

If the Seller's scales are found to be over or under the tolerance range allowable for the scale based on industry-accepted standards, then the Seller shall recalculate the payments for coal weighed on those scales for the period of inaccuracy (not to exceed 30 days) based on the weights for such coal provided by Buyer. Buyer or the Seller, as applicable, shall pay to the other such amounts owed as a result of that recalculation, and Seller shall reimburse Buyer for the expenses incurred in checking the accuracy of said scales.

If the Buyer's scales are used for payment purposes and are found to be over or under the tolerance range allowable for the scale based on industry-accepted standards (the "Tolerance"), the Buyer shall recalculate the payments for coal weighed on those scales for the period of inaccuracy (not to exceed 30 days) based on the percentage of variance identified for the scales from the Tolerance, plus the amount of the Tolerance. Buyer or Seller, as applicable, shall pay to the other such amounts owed as a result of the recalculation, and Buyer shall reimburse Seller for the expenses incurred in checking the accuracy of said scales.

§7.2 Sampling and Analysis. The sampling and analysis of the coal shall be performed by Seller, and the results thereof shall be accepted and used as defining the quality and characteristics of the coal under this Agreement except as otherwise provided. All analyses, for moisture %, ash %, sulfur % and Btu, shall be made by an independent commercial testing

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laboratory at Seller's expense in accordance with ASTM standards where applicable, or industry-accepted standards in other cases. Samples for analyses shall be taken in accordance with ASTM standards or other methods mutually acceptable to both parties. Seller shall transmit its "as-loaded" quality analysis to Buyer as soon as possible. Buyer's "unloaded" quality shall be the Payment Analysis only when Seller's sampler and/or scales are inoperable, or if Seller fails to obtain a sample upon loading.

Buyer represents that it is familiar with Seller's sampling and analysis practices, and that it finds them to be acceptable. Seller shall notify Buyer in writing of any significant changes in Seller's sampling and analysis practices. Any such changes in Seller's sampling and analysis practices shall, except for ASTM or industry-accepted changes in practices, provide for no less accuracy than the sampling and analysis practices existing at the time of the execution of this Agreement, unless Buyer and Seller otherwise mutually agree.

Each sample taken by Seller shall be divided into four (4) parts and put into airtight containers, properly labeled and sealed. One (1) part shall be used for analysis by Seller. One (1) part shall be used by Seller as a check sample, if Seller in its sole judgment determines it is necessary. One (1) part shall be retained by Seller until thirty (30) days after the sample is taken ("Disposal Date") and shall be delivered to Buyer for analysis if Buyer so requests before the Disposal Date. One (1) part (the "Referee Sample") shall be retained by Seller until the Disposal Date.

Buyer, on reasonable notice to Seller, shall have the right to have a representative present to observe the sampling and analyses performed by Seller. Unless Buyer requests an analysis of the Referee Sample before the Disposal Date, Seller's analysis shall be used to determine the quality of the coal under this Agreement and shall be the Payment Analysis. The Monthly Weighted Averages of specifications referenced in §6.1 shall be based on the individual Shipment analyses.

If any dispute arises with regard to the analysis of any sample before the Disposal Date for such sample, the Referee Sample retained by Seller shall be submitted for analysis to an independent commercial testing laboratory ("Independent Lab") mutually chosen by Buyer and Seller.

For each coal quality specification in question, if the analysis of the Independent Lab differs by more than the applicable ASTM reproducibility standards, the Independent Lab results will govern, and the prior analysis shall be disregarded. All testing of the Referee Sample by the Independent Lab shall be at requestor's expense unless the Independent Lab results differ from the original Payment Analysis for any specification by more than the applicable ASTM reproducibility standards as to that specification. In such case, the cost of the analysis made by the Independent Lab shall be borne by the party who provided the original Payment Analysis.

§ 7.3 Failure to obtain Weight or Sample. If Buyer and Seller fail to obtain a certified weight or sample, then the parties will use commercially reasonable, mutually agreed-upon practices to determine the weight and/or analysis.

SECTION 8. PRICE.

§8.1 (a) Base Price. The “Base Price” of the coal to be sold hereunder will be firm and will be determined by the total cumulative contract volume range in which the coal is loaded as defined in §3 in accordance with the following schedule:

<u>VOLUME RANGE (Cumulative)</u>	<u>FOB Barge</u> <u>Warrick Co.</u>	<u>FOB</u> <u>Rail Loadout</u>	<u>FOB Destination</u> <u>E.W. Brown*</u>
0 – 500,000 tons	\$38.25	\$34.25	\$34.25 plus Truck Component
500,001 – 1,000,000 tons	\$39.25	\$35.25	\$35.25 plus Truck Component
1,000,001 – 1,500,000 tons	\$40.50	\$36.50	\$36.50 plus Truck Component

*Truck Component price will be added to the FOB Railcar Price for any coal delivered by truck. The monthly Truck Component price will be determined by mutual negotiation of the parties prior to commencement of truck deliveries.

(b) Make-up Tons Pricing. Notwithstanding the foregoing, the Base Price for any Make-Up Tons (as such term is defined in §3.2 hereof) shall be the Base Price in effect at the time such Make up Tons should have been delivered and not the Base Price in the Make-Up Year (as such term is defined in §3.2 hereof).

§8.2 Quality Price Adjustments. The price paid by the Buyer for the coal sold hereunder will be adjusted based on the quality of the coal as follows:

(a) BTU True Up. The Base Price for coal loaded hereunder in any particular calendar month (a “Delivery Month”) is based on the assumption that the actual “as received” Monthly Weighted Average BTU/LB (the “BTU AMWA”) for coal loaded during a

Delivery Month is equal to the minimum Guaranteed Monthly Weighted Average BTU/LB set forth in §6.1 (the “BTU GMWA”). If the BTU AMWA varies from the BTU GMWA for any Delivery Month, then the price applicable to such loaded coal will be adjusted to account for such variation in BTU’s. The BTU adjustment for that Delivery Month will be determined as follows:

- (i) Calculate the per ton BTU adjustment for a Delivery Month using the following formula (where Price per Ton is the applicable Base Price set forth in §8.1 above):
$$((\text{BTU AMWA} - \text{BTU GMWA}) \div (\text{BTU GMWA}) \times \text{Price per Ton} = \text{Per Ton BTU Adjustment}.$$
- (ii) Determine the price adjustment for BTU’s for the Delivery Month by multiplying the Per Ton Adjustment (as calculated in (i) above) by the total number of tons of coal loaded under this Agreement during the Delivery Month.

Depending on whether the BTU AMWA is greater than or less than the BTU GMWA in a Delivery Month, the Per Ton BTU Adjustment for the Delivery Month can be positive or negative. If the BTU adjustment (as calculated above) for a Delivery Month is positive, then Buyer shall pay the amount of such BTU adjustment to Seller. If the BTU adjustment (as calculated above) for a Delivery Month is negative, then Seller shall pay or credit the amount of such BTU adjustment to Buyer. Buyer shall be responsible for making the BTU adjustment calculations and shall send a written statement to Seller of the amount of the BTU adjustment for each Delivery Month. BTU adjustment payments shall be due when the next payment for coal is due hereunder.

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For the avoidance of doubt, the parties agree to the following example. If the AMWA for a Delivery Month equals 11,250 BTU/LB, the GMWA equals 11,000 BTU/LB and the Base Price Per Ton is \$34.25/ton, then the Per Ton BTU Adjustment would be $((11,250 - 11,000) \div 11,000) \times \$34.25 = \$0.77841$ per ton. If a total of 30,000 tons were loaded during the Delivery Month, then the BTU adjustment would equal \$23,352.30 (30,000 x \$0.77841). Since it is positive, this amount would be due and owing to Seller by Buyer with respect to the coal loaded during that Delivery Month.

(b) Other Quality Price Reductions. The Base Price is based on Buyer's receipt of coal of a quality that is consistent with or superior to all of the GMWA specifications as set forth in §6.1. Quality price reductions shall be applied for each specification each Delivery Month to account for the Seller's failure to provide coal of a quality superior to the "Discount Values" set forth below.

<u>DISCOUNT VALUES</u>	
	<u>\$/MMBTU</u>
BTU/LB.	0.2604
<u>\$/LB./MMBTU</u>	
SULFUR	0.1232
ASH	0.0083
MOISTURE	0.0016

For each specification during each Delivery Month with respect to the quality price discounts listed above, there shall be no discount if the AMWA for a specification meets the applicable Discount Point set forth below for that specification. If the AMWA fails to meet the

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Discount Point, then the applicable Discount Value shall apply, and the quality price reduction shall be calculated on the basis of the difference between the AMWA and the GMWA for such specification.

<u>Guaranteed Monthly Weighted Average</u>		<u>Discount Point</u>
BTU	Min. 11,000 BTU/LB	10,900 BTU/LB
ASH	Max. 9.20 LB/MMBTU	9.70 LB/MMBTU
MOISTURE	Max. 14.00 LB/MMBTU	14.50 LB/MMBTU
SULFUR	Max. 3.00 LB/MMBTU	3.10 LB/MMBTU

For example, if the Actual Monthly Weighted Average of sulfur equals 3.15 lb/MMBTU, then the applicable discount would be (3.15 lb. – 3.00 lb.) X .1232/lb/MMBTU = \$0.0185/MMBTU.

(c) Notwithstanding loading, Rejected Coal shipments shall not be included in the calculation of the AMWA quality of the coal during the Delivery Month or any quality price adjustments under 8.2(a) and (b) above and payments under 8.3 below. As loaded Replacement Coal and/or Cover Coal shall be included in the calculation of the AMWA.

§8.3 Payment Calculation. Schedule I attached hereto shows the methodology for calculating the coal payment, the BTU adjustment and quality price reductions for the Delivery Month. If there are any such price adjustments, Buyer shall apply a credit for such adjustments to amounts owed Seller for the month the coal was loaded.

§8.4 Price Adjustments for Changes in Governmental Impositions. The above Base Price shall be subject to adjustment pursuant to this Section only in the event that the requesting party can clearly demonstrate that: (a) new, industry-wide Federal or state statutes, regulations or other

governmental impositions affecting the industry and the coal to be supplied hereunder or the production thereof, including but not limited to tax increases or decreases (other than taxes measured by income); or (b) amendments, modifications or changes to the text, interpretation, application or enforcement (excluding changes in frequency, rigor or thoroughness of enforcement) of any existing generally-applicable Federal or state statutes, regulations, or other governmental impositions that occur after September 23, 2020 (all collectively a “Requirement”) which causes Seller’s direct out-of-pocket cost of providing coal to Buyer under this Agreement to increase or decrease (generally an “Imposition”). As used herein, a Requirement shall mean a Federal or state statute, regulation or other governmental action meeting the requirements of (a) and (b) above that pertains to coal mining or handling practices, to health and safety of miners or associated workers or to air, water or waste quality or disposal standards, but shall not include other Federal or state statute, regulation or other governmental imposition applicable to businesses generally (such as, by way of example only, wage, benefit, health care, insurance or retirement requirements). In the event a party desires to obtain a price adjustment based on an Imposition, the affected party shall notify the other party in writing of the Requirement or potential Requirement within fifteen (15) days of the time such party becomes aware of such Requirement and the resulting Imposition, setting forth the Requirement, specific legal basis for the Imposition, the anticipated or actual financial impact of the Imposition and the anticipated or actual effective date. Either Buyer or Seller may request a Base Price adjustment, which shall be comprised of no more than the actual costs directly associated with the effect of such change on the cost of

producing the coal to be supplied hereunder. Additionally, an Imposition adjustment shall only be made hereunder if the price adjustment is allocated evenly to all coal produced by Seller, including all coal that is produced from the Coal Properties, so that Buyer is allocated only its proportionate share of such Imposition, and the Base Price shall likewise be decreased for any savings resulting from any Requirement or Imposition. There shall be no change to the Base Price based on reductions or loss of production or production capacity as a result of an Imposition.

By way of example, and not of limitation, an Imposition that requires the purchase of special or additional equipment shall be prorated over the number of years of useful life of the equipment and over the total tons in any year during the useful life of the equipment. In such a case, the change in the Base Price would not exceed the per-ton prorated cost of the equipment.

After Seller has determined the actual, direct cost impact of any Imposition, which may be after the conclusion of the applicable calendar year, Seller shall notify Buyer in writing of the amount and effective date of any claimed adjustment to the Base Price as a result of one or more Impositions and shall furnish Buyer with the specific legal basis for the Imposition, and accurate and detailed computations and data reasonably necessary to substantiate the claimed adjustment. Buyer shall have the right to inspect all books and records of Seller relevant to the claimed adjustment. Buyer shall notify Seller of any disagreement Buyer has with the claimed adjustment within a reasonable time after receipt of such notice and computations, taking into account any audits or requests for additional information by Buyer. It is Seller's obligation to ensure that Imposition decreases are given to Buyer.

If the amount of the actual or anticipated Impositions exceeds one-dollar (\$1.00) per ton on a cumulative basis for any particular calendar year, Buyer may terminate this Agreement upon not less than thirty (30) days written notice to Seller. Alternatively, Seller may elect, by forwarding written notice to Buyer within ten (10) days after receiving Buyer's notice of termination, to limit the cumulative amount of Impositions for any year to a maximum of one dollar (\$1.00) per ton. In the event Seller makes such election, the increase shall be so limited, and the remainder of this Agreement shall continue in full force and effect.

SECTION 9. INVOICES, BILLING AND PAYMENT.

§9.1 Invoicing Address. Invoices will be sent electronically to Buyer at the following address: fuels.accounting@lge-ku.com

§9.2 Invoice Procedures for Coal Shipments. By the fifth (5th) working day of the month following the Delivery Month (the "Payment Month"), the Buyer will provide Seller with a price calculation for all coal loaded during the Delivery Month based on the applicable Base Price, and taking into account all quality price adjustments provided for in Section 8 (the "Buyer's Statement"). By the tenth (10th) day of the Payment Month the Seller will provide Buyer with its invoice for all coal loaded during the Delivery Month taking into account all quality price adjustments (the "Monthly Invoice").

§9.3 Payment Procedures for Coal Shipments. For all coal loaded at the Rail Delivery Point and Barge Delivery Point between the first (1st) and fifteenth (15th) days of any Delivery Month, Buyer shall make a "Preliminary Payment" of one-hundred percent (100%) of the Base Price for such coal (based on the assumption that the coal will meet all GMWA parameters) by

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the twenty-fifth (25th) day of such Delivery Month. All Preliminary Payments shall be calculated based solely on the then-current Base Price on a dollar-per-ton basis. By the fifteenth (15th) day of the Payment Month, Buyer will pay for all coal loaded at the Barge Delivery Point and Rail Delivery Point between the sixteenth (16th) and the last day of any Delivery Month plus any quality adjustments for the Delivery Month as provided in §8.2 above.

For example, Buyer will make a Preliminary Payment by August 25 for coal loaded between August 1 through August 15. On or before the fifth (5th) working day of September, Buyer will provide Seller with the Buyer's Statement. On or before the tenth (10th) day of September, the Seller shall provide Buyer the Monthly Invoice for all coal loaded in August. The Monthly Invoice for August deliveries, to the extent it is verified by Buyer, will be paid by the fifteenth (15th) day of September. In every case referenced in this Section for payment, if a specific day is not a banking day and regular work-day for Buyer, payment shall be made on the next regular work day for Buyer.

Notwithstanding loading, Rejected Coal shipments shall not be included in the invoicing and payment with respect to coal during the Delivery Month. As loaded Replacement Coal and/or Cover Coal shall be included in the invoicing and payment with respect to coal during the Delivery Month.

Buyer shall electronically transfer funds to Seller's Account based upon information (including Bank name, ABA number and Account Number) provided in writing, in a form reasonably acceptable to Buyer, prior to the first (1st) Shipment under this Agreement. Seller

reserves the right to modify such account information on prior written notice reasonably acceptable to Buyer.

Buyer shall email remittance advice to salesaccounting@peabody.com

§9.4 Withholding. Buyer shall have the right to withhold from payment of any billing or billings: (i) any sums which it is not able in good faith to verify or which it otherwise in good faith disputes, (ii) any damages resulting from any breach of this Agreement by Seller; and (iii) any amounts owed to Buyer from Seller. Buyer shall immediately notify Seller in writing of the basis for the dispute and pay the portion of such statement not in dispute no later than the due date. If any amount withheld under dispute by Buyer is ultimately determined to be due Seller, it shall be paid within (5) business days after such determination.

§9.5 Payment by Buyer. Payment by Buyer whether knowing or inadvertent, of any amount in dispute shall not be deemed a waiver of any claims or rights by Buyer with respect to any disputed amounts or payments made.

§9.6 Credit Rating. If the credit rating of either Buyer (if Buyer has a public rating) or Buyer's affiliates that have public ratings falls below investment grade (BBB - as defined by Standard & Poor's or the equivalent as defined by other public ratings agencies), Buyer shall, within thirty (30) days after Seller's written request, provide Seller with a mutually agreed upon form of credit enhancement (e.g., letter of credit, guaranty from an investment grade entity, etc.). Until the mutually acceptable assurances of good credit are received, Seller has the right to require

payment in cash at the time of delivery and in the event Buyer does not make such payments, suspend deliveries in addition to any other remedies available hereunder or pursuant to law. Such mutually acceptable assurances of good credit shall not be more than the average monthly outstanding net balance.

§9.7 Guaranty. Seller's Guarantor, Peabody Energy Corporation, shall provide a guarantee in form consistent with the attached Exhibit A, prior to the execution of this Agreement.

SECTION 10. FORCE MAJEURE.

§10.1 General Force Majeure. If a party hereto is delayed in or prevented in whole or part, from performing any of its obligations or from utilizing the coal sold under this Agreement as a result of one or more events or occurrences which are both: (a) beyond the reasonable control of the affected party, and (b) not the result of fault or negligence of the affected party (a "Force Majeure Event"), then the obligations of both parties hereto shall be suspended to the extent made necessary by such Force Majeure Event; provided that the affected party gives written notice to the other party as early as practicable of the existence, nature and probable duration of the Force Majeure Event and makes all commercially reasonable efforts to terminate and/or limit the effect of the Force Majeure Event. As used herein, the term Force Majeure Event shall include but not be limited to acts of God, war, terrorism, riots, civil insurrection, acts of the public enemy, strikes, lockouts, industry-wide labor shortages, labor disputes which cause work stoppages, industry-wide shortages of materials and supplies, unforeseen breakdown, outage or unavailability of equipment, adverse geological conditions in coal seams not discernable by prudent engineering,

fires, explosions, severe storms, floods or earthquakes, pandemic disease or other emergency situations declared by a relevant jurisdiction, notices or declarations of Force Majeure by transportation carriers or coal terminals, embargoes, legislation, court orders, governmental regulation, or orders or acts of any governmental or military authority (in each case, to the extent causing material disruption of the claiming party's operations that is greater than such disruption existing at the time of execution of the Agreement, or other causes, whether of a similar or dissimilar nature and otherwise meeting the requirements earlier set forth in this sentence. Force Majeure shall not be based on: (1) the loss of Buyer's markets; (2) Buyer's inability economically to use or resell the coal purchased hereunder; (3) Seller's ability to sell the coal at a price greater than the Base Price; (4) Buyer's ability to buy the coal at a price less than the Base Price; or (5) Seller's inability to economically produce or obtain the coal.

The party declaring force majeure shall keep the other party advised as to the continuance of the Force Majeure Event and, in the event such party desires to suspend its obligations hereunder, then such party must notify the other party of the impact of the Force Majeure Event within sixty (60) days after the end of the Force Majeure Event.

During any period in which Seller's ability to perform hereunder is affected by a Force Majeure Event, Seller shall not deliver any coal from each Coal Property to any other buyers other than "Other FM Buyers" (as herein after defined). With respect to any given month and each particular Coal Property, "Other FM Buyers" are other buyers to whom Seller is contractually committed to make deliveries to in that particular month under a contract which (a) includes such

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Coal Property and (b) has been in place at the onset of the Force Majeure Event (a “Permitted Contract”). Further, if Seller is delivering coal to Other FM Buyers during the period of Force Majeure Event, Seller shall during each month deliver to Buyer under this Agreement at least a pro rata portion of its monthly aggregate production from each Coal Property, in accordance with the below methodology:

$$\begin{array}{l} \text{Required Monthly Delivery to Buyer} \\ \text{(During Each FM Month for Each Coal Property)} \end{array} = \frac{\text{mBQ}}{(\sum \text{mOBQ}) + \text{mBQ}} \times \text{STMP}$$

Where:

OFMB = Other Force Majeure Buyers for such Coal Property

PC = Permitted Contracts for such Coal Property

BQ = annual Base Quantity (under this Agreement)

mBQ = BQ / 12

STMP = Seller’s total production during such month from such Coal Property

OBQ = Annualized contractual base quantities under OFMB’s PC’s at time of FM Event

mOBQ = OBQ / 12

For purposes of this calculation:

In any particular monthly calculation, OBQ (and its sum \sum OBQ) shall not include (a) any base quantities for OFMB whose PC base quantity delivery months have since expired or (b) any base quantities for OFMB whose PC base quantity delivery months have not yet commenced. Further, for PCs with terms of greater or less than 1-year OBQ shall use an annualized base quantity amount for such PC.

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In any particular monthly calculation, STMP shall be the aggregate tons of coal produced by Seller in that month from such Coal Property. The term “production” hereunder shall be defined and calculated consistently with the use of that term in the federal Quarterly Mine Employment and Coal Production Report (MSHA Form 7000-2) as reported to Department of Labor-Mine Safety and Health Administration.

In any particular monthly calculation, Seller shall not be required to deliver to Buyer an amount in excess of the ratable annual Base Quantity hereunder (namely mBQ).

Example: CALCULATION OF MONTHLY TONNAGE ALLOCATION DURING FORCE MAJEURE EVENT.

If during Month 1, Coal Property Source A experiences a Force Majeure event that limits or prevents the production of coal used to supply Contract 1 and 4, then the calculation of the monthly allocation of coal production to Buyer under Contract 1 would be as follows:

<u>Company</u>	<u>Contract #</u>	<u>Coal Properties</u>	<u>BQ</u>	<u>mBQ</u>
LG&E-KU	1	A, B, C, D	400,000	33,333
<u>OFMB</u>	<u>PC</u>	<u>Coal Properties</u>	<u>OBQ</u>	<u>mOBQ</u>
X	2	B, C, D	300,000	25,000
Y	3	C, D	200,000	16,667
Z	4	A	150,000	12,500

ALLOCATION OF STMP to CONTRACT #1

<u>Coal Properties</u>	<u>STMP</u>	<u>Allocation</u>
A	0	0
B	30,000	17,143
C	10,000	4,444
D	15,000	6,667

Allocation of STMP not to exceed mBQ or mOBQ

$$\frac{Mbq}{((\sum mOBQ) + mBQ)} \times STMP$$

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Allocation of A:	
<u>33,333</u>	x 0 = 0
45,833	(Contract 1, 4)
Allocation of B:	
<u>33,333</u>	x 30,000 = 17,143
58,333	(Contract 1, 2)
Allocation of C:	
<u>33,333</u>	x 10,000 = 4,444
75,000	(Contract 1, 2, 3)
Allocation of D:	
<u>33,333</u>	x 15,000 = 6,667
75,000	(Contract 1, 2, 3)

An event which affects the Seller's ability to produce or obtain coal from a mine other than the Coal Properties will not be considered a Force Majeure Event hereunder.

Changes in market conditions, commercial frustration, commercial impracticability or the occurrence of unforeseen events rendering performance of this Agreement uneconomical for either Party shall not constitute a Force Majeure Event. Minor transportation delays which can be resolved by an amendment to the delivery schedule without materially disrupting future shipments will not be considered Force Majeure Events, but shall be resolved by schedule amendments.

Tonnage deficiencies resulting from a Force Majeure Event shall be made up at sole option of the non-affected party and shall be treated as Make-Up Tons pursuant to §3.2 above, and to the

extent necessary, the term of this Agreement will automatically be extended for the period necessary for the receipt or delivery of the Make-Up Tons.

If a Force Majeure Events continues for more than one hundred and eighty (180) days, the non-affected party shall have the right to terminate this Agreement, in its sole discretion, without further obligation on the part of either party, except for obligations incurred prior to such termination.

§10.2 Environmental Law Force Majeure. In addition to, and not in limitation of, the provisions of §10.1 above, if Buyer concludes that any new environmental law is enacted or new rule, or regulation is promulgated (including without limitation, an amendment to or a new interpretation of an existing law, rule or regulation) after the date of execution of this Agreement which becomes effective during the term of this Agreement, which makes it unnecessary, impossible, commercially impracticable or uneconomical for Buyer to utilize this or like kind and quality coal which thereafter would be delivered under this Agreement, Buyer shall so notify Seller. Thereupon, Buyer and Seller shall promptly consider whether corrective actions can be taken in the mining and preparation of the coal at Seller's mine and/or in the handling and utilization of the coal at Buyer's generating station. If in Buyer's sole judgment any such actions will not, without unreasonable expense to Buyer, make it possible, commercially practicable and economical for Buyer to use the coal which would be delivered hereunder without violating any applicable law, regulation, policy or order, Buyer shall promptly notify Seller, in writing, of the new required coal quality specifications for any replacement tonnage. Seller shall consider and

evaluate what steps can be reasonably taken in the mining and/or preparation of the coal from the existing primary sources to meet the new coal quality specifications. Seller shall determine and communicate to Buyer the increased costs, if any, anticipated by Seller if meeting the new quality specifications is possible. Thereafter the parties will have the following sequential options:

1. Seller can offer to Buyer the option, but not the obligation, to pay to Seller said total increased costs and shipments will continue under the current coal supply Agreement, as modified for the new coal quality specification, or
2. If Buyer does not agree to pay to Seller increased costs or Seller does not meet the new coal quality specifications, then Seller has the option, but not the obligation, to provide substitute coal meeting the revised coal quality specifications under said Agreement at the current equivalent delivered price on a Btu basis.
3. If neither Buyer or Seller exercises their respective option above, then this Agreement shall terminate in ninety (90) days from Buyer's notification, without further obligation hereunder on the part of either party except for obligations incurred prior to the time of such termination.

SECTION 11. NOTICES.

§11.1 Form and Place of Notice. Any official notice, request for approval or other document required to be given under this Agreement shall be in writing, unless otherwise provided herein, and shall be deemed to have been sufficiently given when delivered in person,

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transmitted by facsimile or other electronic media, delivered to an established mail service for same day or overnight delivery, or dispatched in the United States mail, postage prepaid, for mailing by first class, certified, or registered mail, return receipt requested, and addressed as follows:

If to Buyer: Louisville Gas and Electric Company/Kentucky Utilities Company
 220 West Main Street
 P.O. Box 32010
 Louisville, Kentucky 40232
 Attn.: Director Corporate Fuels and By Products

If to Seller: Peabody COALSALES, LLC
 701 Market Street, Suite 930
 St. Louis, Missouri 63101
 Attn: Senior Vice President, Sales & Marketing Americas

Notice will be deemed received when actually received by the addressee.

§11.2 Change of Person or Address. Either party may change the person or address specified above upon giving written notice to the other party of such change.

§11.3 Electronic Data Transmittal. Seller hereby agrees, at Seller's cost, to electronically transmit shipping notices and/or other data to Buyer in a commercially reasonable format acceptable to and established by Buyer upon Buyer's request. Buyer shall provide Seller with the appropriate format and will inform Seller as to the electronic data requirements at the appropriate time.

SECTION 12. INDEMNITY AND INSURANCE

§12.1 Indemnity. Seller agrees to indemnify and save harmless Buyer, its officers, directors, employees and representatives from any responsibility or liability for any and all third party claims, demands, costs, charges, losses, legal actions for personal injuries, property damage or pollution (including without limitation, reasonable inside and outside attorney's fees) (collectively "Claims") arising from or relating in any manner to the performance or failure to perform of this Agreement which accrue prior to the acceptance of the coal by Buyer, provided that Seller's indemnity obligations with respect to any Claims regarding Seller's title to any coal delivered to Buyer, shall extend regardless of the time at which the same accrue or arise. Seller's indemnity shall include but not be limited to Claims: (i) relating to the barges or railcars provided by Buyer or Buyer's contractor while such barges or railcars are in the care and custody of the loading dock or loading facility, (ii) due to any failure of Seller to comply with laws, regulations or ordinances related to Seller's production of coal and its performance under this Agreement, or (iii) due to the acts or omissions of Seller in the performance of this Agreement.

Buyer agrees to indemnify and save harmless Seller, its officers, directors, employees and representatives from any responsibility or liability for any and all Claims accruing or resulting from occurrences subsequent to the acceptance of the coal by Buyer, except any Claims relating to Seller's title to any coal, against which Seller shall indemnify Buyer regardless of when the same accrues or arises. Buyer's indemnity shall include but not be limited to claims (i) due to any failure of Buyer to comply with laws, regulations or ordinances related to Buyer's performance

under the Agreement, or (ii) due to the negligence of any representatives, agents or employees of Buyer who inspect the Coal Properties; or (iii) due to the acts or omissions of Buyer in the performance of this Agreement.

The parties' respective obligations of indemnity shall survive the termination, expiration or cancellation of this Agreement for a period of five (5) years from the date hereof.

§12.2 Insurance. In addition to any indemnity obligations, and not in lieu thereof, Seller shall carry insurance coverage with minimum limits as follows:

- a) Workers' Compensation and Employer's Liability Policy, which shall include:
 - i. Workers' Compensation (Coverage A);
 - ii. Employer's Liability (Coverage B) with minimum limits of \$1,000,000 Bodily Injury by Accident, each Accident, \$1,000,000 Bodily Injury by Disease, each Employee;
 - iii. 30 Day Cancellation Clause;
 - iv. All States Endorsement;
 - v. Seller's terminal operator/subcontractor shall carry U.S. Longshore and Harbor Workers Compensation Act coverage (required at all times workers of Seller or Seller's subcontractors are performing work that falls under such Act any time during the contract period);
 - vi. Seller's marine subcontractors shall carry Maritime Employers Liability (MEL) including Jones Act coverage (required at all times workers of the

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Seller or Seller's subcontractors are working on commercial vessels)

- b) Commercial General Liability Policy, which shall have minimum limits of \$1,000,000 each occurrence; \$2,000,000 Products/Completed Operations Aggregate each occurrence; \$1,000,000 Personal and Advertising Injury each occurrence, in all cases subject to \$2,000,000 in the General Aggregate for all such claims, and including:
 - i. 30 Day Cancellation Clause;
 - ii. Blanket Written Contractual Liability to the extent covered by the policy against liability assumed by Seller under this Agreement;
 - iii. Additional Insured Endorsement GC 2010 or CG2037, or its equivalent
 - iv. Coverage shall include sudden & accidental pollution liability
- c) Commercial Automobile Liability Insurance covering the use of all owned, non-owned, and hired automobiles, with a bodily injury, including death and property damage combined single minimum limit of \$1,000,000 each occurrence with respect to Seller's or Seller's subcontractor's vehicles.
- d) Umbrella/Excess Liability Insurance with minimum limits of \$5,000,000 per occurrence and \$5,000,000 in aggregate, to apply to Employer's Liability, Commercial General Liability, and Automobile Liability. Seller's terminal operator/subcontractor should also carry Marine Umbrella coverage with minimum limits of \$5,000,000 per occurrence and \$5,000,000 in aggregate.

- i. Umbrella/Excess Liability Insurance policies must include “Follow Form” provisions including marine & pollution coverages, if applicable.
- e) Marine Liability & Maritime Employers Liability coverage is required at all times during the term of the Agreement, with limits of \$5,000,000 per occurrence.

Marine coverage shall include protection & indemnity, landing owners’, stevedoring, wharfingers, collision & towers liability, Jones Act, and pollution liabilities, including coverage for bodily injury (including death and mental anguish), property damage, defense costs and cleanup costs. Seller may satisfy this requirement by requiring all applicable subcontractors (e.g. marine terminal subcontractor/operator) to carry this coverage. Coverage shall be primary and non-contributory.
- f) Railroad Liability coverage is required at all times during the term of the Agreement. The minimum limits are \$5,000,000 per occurrence. Such coverage shall include bodily injury and property damage liability, pollution liabilities, including coverage for bodily injury (including death and mental anguish), property damage, defense costs and cleanup costs; provided that if all of the work that falls within such exclusion is performed solely by subcontractors, Seller may satisfy this requirement by requiring all applicable subcontractors to carry this coverage.

Coverage will be primary and non-contributory.

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§12.3 Coverage Conditions: Except with regard to Workers' Compensation, Seller shall name Buyer and all of its affiliates as additional insured. All policies will waive any rights of subrogation against Buyer and all of its affiliates and their insurance carriers where applicable by law. All policies will be primary/non-contributory in favor of Buyer. Condition applies to Seller's contractors and subcontractors.

§12.4 Quality of Insurance Coverage: The policies shall be written by insurance companies which have a Best Rating of not less than "A -, VII". These policies shall not be materially changed or canceled except with 30 Days' written notice to Buyer from Seller and the insurance carrier. Evidence of coverage, notification of cancellation or other changes shall be mailed to the following address: LG&E and KU Services Company, 220 W. Main St., Louisville, Kentucky 40202, Attention: Manager LG&E and KU Fuels (7th Floor LG&E Center).

§12.5 Insurance Policies: Upon Buyer's request, Seller shall provide Buyer with insurance policies from Seller's insurer and Seller's subcontractor's insurer (if applicable) evidencing the insurance coverage specified in this Agreement. Any receipt of such documents or their review by Buyer shall not relieve Seller or Seller's subcontractors from or be deemed a waiver of Buyer's rights to insist on strict fulfillment of Seller's obligations under this Agreement.

§12.6 Claims Made Policies: If any of the foregoing policies that are issued on a claims-made basis,

- a) Such policy (or policies) shall have a retroactive date satisfactory to Buyer. For retroactive date to be satisfactory, such date needs to be prior to the effective date of the Agreement.
- b) After termination of this Agreement, Seller shall maintain such policies in place (and/or provide comparable tail coverage) for at least five years after all of Seller's obligations under the Agreement have been fulfilled.

§12.7 Other Notices:

- a) Seller shall provide notice of incidents, accidents, occurrences, or claims as respects to work performed under the Agreement and provide it to LG&E and KU Services Company, 220 W. Main St., Louisville, Kentucky 40202, Attention: Manager LG&E and KU Fuels (7th Floor LG&E Center).
- b) Seller shall notify Buyer of any threatened, pending or paid-off claims to third parties, individually or in the aggregate, which from time to time may affect the coverage inuring to the benefit of Buyer and all of its affiliates as hereinafter specified.

§12.8 Certificates of Insurance: Seller shall provide certificates of insurance to Buyer for each policy of insurance required above and evidence the items noted below.

- a) Each certificate shall properly identify the certificate holder as Buyer.
- b) Certificate shall evidence 30 days prior notice of cancellation.
- c) Certificate shall verify additional insured status on all coverages outlined above.

- d) Certificate shall verify Blanket Waiver of Subrogation. All policies of insurance shall include waivers of subrogation, under subrogation or otherwise, against Buyer and its Affiliates. Except where not applicable by law.
- e) Certificate shall verify Primary/Non-Contributory wording in favor of Buyer. Certificate shall identify policies written in a claims-made coverage form and state the retroactive date.

§12.9 Self-Insured Retentions: Self-Insured Retentions are not acceptable without the Buyer's consent, except for a \$10,000 maintenance retention on Umbrella coverage.

Seller's Insurance. Each policy of insurance required to be maintained by Seller (except the Workers' Compensation and Employer's Liability Policy) shall cover all losses and claims of Seller regardless of whether they arise directly to Seller or indirectly through Seller's subcontractors (e.g., Seller's CGL policy must cover Seller and additional insureds against negligent acts of Seller's subcontractors, etc.). These provisions represent minimum insurance requirements; neither Seller's nor Seller's subcontractors' liability or responsibility shall be limited to these minimum coverage requirements or their actual insurance coverages. Seller is responsible for Seller's subcontractor's insurance meeting the requirements of the Agreement."

SECTION 13. TERMINATION FOR DEFAULT.

13.1 Subject to the provisions of §6.4, if either party hereto commits a material breach of any of its obligations under this Agreement at any time, then the other party may give written

notice describing such breach ("Notice of Default"). If such material breach is not curable or the breaching party fails to cure such material breach within thirty (30) days following receipt of the Notice of Default then, at the option of the non-breaching party, this Agreement shall terminate, in addition to all the other rights and remedies available to the non-breaching party under this Agreement and at law and in equity. A material breach as described above includes, but is not limited to, any one or more of the following:

- Any of Peabody Energy Corporation ("Peabody Energy"), Peabody Midwest Mining, LLC ("Peabody Midwest") or Peabody Wild Boar Mining, LLC ("Peabody Wild Boar") files a petition in bankruptcy;
- Any of Peabody Energy, Peabody Midwest or Peabody Wild Boar makes a general assignment for the benefit of creditors;
- A bankruptcy petition is filed against any of Peabody Energy, Peabody Midwest or Peabody Wild Boar and not dismissed within sixty (60) days;
- A receiver is appointed for any of Peabody Energy, Peabody Midwest or Peabody Wild Boar or any assets of any of them;
- Any of Peabody Midwest or Peabody Wild Boar attempts to deliver coal to a delivery point other than that specified in Sections 5.1, 5.5 or 5.9;
- Any of Peabody Midwest or Peabody Wild Boar fails to deliver coal based on the monthly nominations for two months in a six month consecutive period;

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- The provision of Substitute Coal from a source other than geological seam Indiana #5 and Indiana #5A absent advance written consent which may be given in Buyer's sole discretion;
- Any of Peabody Midwest or Peabody Wild Boar attempts to deliver coal qualifying as, or which could potentially qualify as, Make-Up Tons, other than in accordance with Section 3.2;
- Any of Peabody Midwest or Peabody Wild Boar fails to perform any other material obligation under this Agreement subject to applicable notice and cure provisions hereof;
or
- Material breach of the representations and warranties set forth herein and failure to cure such material breach under applicable notice and cure provisions herein.

13.2 All of Buyer's rights and remedies set forth in Section 9.4 and otherwise as to offset or withholding of funds due to Buyer from payments otherwise due to Seller are fully preserved and remain in force provided.

13.3 All of each party's rights and remedies upon default set forth in this Agreement, under the applicable Uniform Commercial Code, and under other applicable law are fully preserved and remain in place.

13.4 Notwithstanding anything herein to the contrary, Buyer may at its option, terminate this Agreement immediately upon voluntary bankruptcy filing by any of Peabody Energy, Peabody

Midwest or Peabody Wild Boar or an Order For Relief being entered following an involuntary bankruptcy petition being filed against any of them.

SECTION 14. TAXES, DUTIES AND FEES.

Seller shall pay when due, and the price set forth in Section 8 of this Agreement, as it may be adjusted, shall be inclusive of, all taxes, duties, fees, royalties and other assessments of whatever nature imposed by governmental authorities with respect to the transactions contemplated under this Agreement.

SECTION 15. DOCUMENTATION AND RIGHT OF AUDIT.

Each party (and its representatives) has the right, at its sole expense during normal working hours and upon reasonable advance notice, to examine the records of the other party, but only to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made under or pursuant to any of the provisions of this Agreement.

Notwithstanding anything contained above, Seller shall maintain all records and accounts pertaining to payments, quantities, quality analyses, and source for all coal supplied under this Agreement for a period lasting through the term of this Agreement and for two (2) years thereafter. Buyer shall have the right at no additional expense to Buyer to audit, copy and inspect such records and accounts at any reasonable time upon reasonable notice during the term of this Agreement and for two (2) years thereafter, and Seller shall cooperate at no additional cost to Buyer. Buyer shall be responsible for all costs associated with travel by Buyer or Buyer's auditor.

SECTION 16. EQUAL EMPLOYMENT OPPORTUNITY. To the extent applicable, Seller shall comply with all of the following provisions which are incorporated herein by reference: Equal Opportunity regulations set forth in 41 CFR § 60-1.4(a) and (c) prohibiting discrimination against any employee or applicant for employment because of race, color, religion, sex, or national origin; Vietnam Era Veterans Readjustment Assistance Act regulations set forth in 41 CFR § 50-250.4 relating to the employment and advancement of disabled veterans and veterans of the Vietnam Era; Rehabilitation Act regulations set forth in 41 CFR § 60-741.4 relating to the employment and advancement of qualified disabled employees and applicants for employment; the clause known as “Utilization of Small Business Concerns and Small Business Concerns Owned and Controlled by Socially and Economically Disadvantaged Individuals” set forth in 15 USC § 637(d)(3); and subcontracting plan requirements set forth in 15 USC § 637(d).

SECTION 17. COAL PROPERTIES INSPECTIONS. Buyer and its representatives, and others as may be required by applicable laws, ordinances and regulations in connection with Buyer (“Visitors”) shall have the right at all reasonable times and at their own expense to inspect the Coal Properties, including the loading facilities, scales, sampling system(s), wash plant facilities, and mining equipment (collectively “Facilities”) for conformance with this Agreement. Seller shall cooperate with such inspections at no additional cost to Buyer. Seller shall undertake reasonable care and precautions to prevent personal injuries to any Visitors who inspect the Coal Properties or the Facilities. All Visitors shall make every reasonable effort to comply with Seller’s regulations and rules regarding conduct on the work site (to the extent they are made known to

Visitors prior to entry), as well as safety measures mandated by state or federal rules, regulations and laws. Buyer understands that coal mines and related facilities are inherently high-risk environments. Buyer's inspection (or failure to inspect) the Coal Properties or Facilities or to object to defects therein shall not relieve Seller of any of its responsibilities nor be deemed to be a waiver of any of Buyer's rights hereunder.

SECTION 18. MISCELLANEOUS.

§18.1 Applicable Law. This Agreement shall be construed in accordance with the laws of the Commonwealth of Kentucky without regard to any conflicts of laws that would result in the application of the laws of any other jurisdiction, and all questions of performance of obligations hereunder shall be determined in accordance with such laws.

§18.2 Headings. The paragraph headings appearing in this Agreement are for convenience only and shall not affect the meaning or interpretation of this Agreement.

§18.3 Waiver. The failure of either party to insist on strict performance of any provision of this Agreement, or to take advantage of any rights hereunder, shall not be construed as a waiver of such provision or right.

§18.4 Remedies Cumulative. Remedies provided under this Agreement shall be cumulative and in addition to other remedies provided under this Agreement or by law or in equity.

§18.5 Severability. If any provision of this Agreement is found contrary to law or unenforceable by any court of law, the remaining provisions shall be severable and enforceable

in accordance with their terms, unless such unlawful or unenforceable provision is material to the transactions contemplated hereby, in which case the parties shall negotiate in good faith a substitute provision.

§18.6 Binding Effect. This Agreement shall bind and inure to the benefit of the parties and their successors and assigns.

§18.7 Relationship of the Parties. Seller agrees that it is not and will not hold itself out as a partner, joint venture, employee, agent or representative of Buyer. Nothing herein contained shall be construed as creating a single enterprise, joint venture, agency, partnership, joint employer, owner-contractor, or lessor-lessee relationship between Buyer and Seller or between Buyer and Producer.

§18.8 Several Liability. LG&E and KU shall be severally but not jointly liable for obligations of Buyer hereunder and shall be liable only for such obligations that pertain to a particular party constituting Buyer.

§18.9 Limitation of Remedies. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, AND EXCEPT TO THE EXTENT A CLAIM, DEMAND, LOSS, OR LEGAL ACTION (“CLAIM”) BROUGHT BY A THIRD PARTY INCLUDES ONE OR MORE SUCH ITEMS FOR WHICH THERE IS AN INDEMNITY OBLIGATION UNDER THIS AGREEMENT WITH RESPECT TO SUCH CLAIM, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, PUNITIVE, EXEMPLARY, SPECIAL OR INDIRECT DAMAGES, LOST REVENUES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES.

EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN, SELLER EXPRESSLY NEGATES ANY OTHER REPRESENTATION, WRITTEN OR ORAL, EXPRESS OR IMPLIED, INCLUDING ANY REPRESENTATION OR WARRANTY WITH RESPECT TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

§18.10 Forward Contract. The parties agree that the transactions for the sale and purchase of coal hereunder are and shall constitute “forward contracts,” and that the parties hereto are and shall be considered “forward contract merchants” within the meaning of the United States Bankruptcy Code.

§18.11 Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Delivery of the manual, conformed, or other executed signature pages by facsimile, e-mail, electronic, or other transmission will constitute effective and binding execution and delivery of this Agreement and or Amendment.

§18.12 Assignment.

A. Seller shall not, without Buyer’s prior written consent, which may be withheld in Buyer’s sole discretion, make any assignment or transfer of this Agreement, by operation of law or otherwise, including without limitation any assignment, encumbrance or transfer as security for any obligation, and shall not assign or transfer the performance of or right or duty to perform any obligation of Seller hereunder; provided, however, that Seller may assign the right to receive payments for coal directly from Buyer to a lender as part of any accounts receivable financing or

other revolving credit arrangement which Seller may have now or at any time during the term of this Agreement.

B. Buyer shall not, without Seller's prior written consent, which may not be unreasonably withheld, assign this Agreement or any right or duty to perform any obligation of Buyer hereunder; except that, without such consent, Buyer may assign this Agreement in connection with a transfer by Buyer of all or a part interest in the generating station comprising the Delivery Point, or as part of a merger or consolidation involving Buyer.

C. In the event of an assignment or transfer contrary to the provisions of this Section, the non-assigning party may terminate this Agreement immediately.

D. The parties acknowledge that Buyer's performance of its rights and obligations pursuant to this Agreement may be performed by one or more agents, including without limitation LG&E and KU Services Company.

§18.13 Resale. Buyer shall have no right to resell any portion of the coal sold and purchased under this Agreement to another person not an affiliate of Buyer, without the prior written consent of Seller. In addition to the above, Buyer shall also be permitted to sell the coal purchased hereunder to unaffiliated vendors or contractors located on its plant sites in connection with facilities for production, treatment or processing of coal for environmental, operational, or other purposes.

§18.14 Entire Agreement. This Agreement contains the entire agreement between the parties as to the subject matter hereof, and there are no representations, understandings or agreements, oral or written, which are not included herein.

§18.15 Amendments. Except as otherwise provided herein, this Agreement may not be amended, supplemented or otherwise modified except by written instrument signed by both parties hereto.

[Signatures On Next Page]

**Peabody COALSALES, LLC
LGE&E/KU Contract No. J21009**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, intending it to be binding as of the date(s) indicated below and to be performed as set out herein.

BUYER:
LOUISVILLE GAS AND ELECTRIC
COMPANY

By: *David Sinclair*

Name: David Sinclair

Title: V.P. Energy Supply and Analysis

Date: 3/23/21

*ett
jpp*

SELLER:
Peabody COALSALES, LLC

By: *Michael Siebers*

Name: Michael Siebers

Title: SVP Sales & Marketing - US

Date: March 12, 2021

KENTUCKY UTILITIES COMPANY

By: *David Sinclair*

Name: David Sinclair

Title: V.P. Energy Supply and Analysis

Date: 3/23/21

*ett
jpp*

Peabody COALSALES, LLC
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SCHEDULE I TO COAL SUPPLY AGREEMENT

SAMPLE COAL PAYMENT CALCULATIONS

	Section I	Base Data
1)	Base or Adjusted Base FOB Price Per Ton:	\$34.25 /ton
1a)	Tons of coal loaded:	_____ tons
2)	Guaranteed wt. average heat content:	11,000 BTU/LB.
2a)	As received monthly wt. avg. heat content:	_____ BTU/LB.
2b)	Total BTU's loaded in the month:	_____ Millions of BTU's
3)	Guaranteed monthly wt. avg. max. sulfur	3.00 LBS./MMBTU
3a)	As received monthly wt. avg. sulfur	_____ LBS./MMBTU
4)	Guaranteed monthly wt. avg. ash	9.20 LBS./MMBTU
4a)	As received monthly wt. avg. ash	_____ LBS./MMBTU
5)	Guaranteed monthly wt. avg. max. moisture	14.00 LBS./MMBTU
5a)	As received monthly wt. avg. moisture	_____ LBS./MMBTU
6)	BTU True Up: $\{[(\text{line } 2a - \text{line } 2)] \div \text{line } 2\} \times \text{line } 1$	_____ Dollars/Ton
6a)	BTU True Up Dollars (line 6 x line 1a)	_____ Dollars
	Section II	Discounts
	Assign a (-) to all discounts (round to (5) decimal places)	
7)	BTU/LB.: If line 2a < 10,900 BTU/LB. then: $\{1 - \{(\text{line } 2a) / (\text{line } 2)\} \} * \$0.2604/\text{MMBTU}$ $\{1 - () / ()\} * \$0.2604 =$	\$ _____ /MMBTU
7a)	SULFUR: If line 3a is greater than 3.10 LBS/MMBTU $[(\text{line } 3a) - (\text{line } 3)] * 0.1232/\text{lb. Sulfur}$ $[() - ()] * 0.1232 =$	\$ _____ /MMBTU
7b)	ASH: If line 4a is greater than 9.70 LBS/MMBTU $[(\text{line } 4a) - (\text{line } 4)] * 0.0083/\text{MMBTU}$ $[() - ()] * 0.0083 =$	\$ _____ /MMBTU
7c)	MOISTURE: If line 5a is greater than 14.50 LBS/MMBTU $[(\text{line } 5a) - (\text{line } 5)] * 0.0016/\text{MMBTU}$ $[() - ()] * 0.0016 =$	\$ _____ /MMBTU

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<u>Section III</u>		<u>Total Price Adjustments</u>
Determine total Discounts as follows:		
8)	BTU/Lb. Discount Dollars (line 7 x line 2b)	\$ _____ Dollars
9)	Sulfur Discount Dollars (line 7a x line 2b)	\$ _____ Dollars
10)	Ash Discount Dollars (line 7b x line 2b)	\$ _____ Dollars
11)	Moisture Discount Dollars (line 7c x line 2b)	\$ _____ Dollars
12)	Total Discount Dollars: Sum of lines 8 thru 11:	\$ _____ Dollars
<u>Total Coal Payment Calculation</u>		
13)	Total coal payment for month: [(line 1 x line 1a) + line 6a] – line 12	\$ _____ Dollars

EXHIBIT A

GUARANTY

This Guaranty (the "Guaranty") is made by **Peabody Energy Corporation** (the "Guarantor"), a Delaware corporation, in favor of **Louisville Gas and Electric Company and Kentucky Utilities Company** (collectively the "Beneficiary"), in consideration of the Beneficiary entering into agreement(s) with Peabody COALSALES, LLC (the "Counterparty").

1. **Guaranty**: Guarantor does hereby unconditionally and absolutely guarantee to Beneficiary the full and faithful (i) payment by Counterparty of any amounts due to the Beneficiary under and pursuant to that certain Coal Supply Agreement dated as of March 10, 2021 (identified as Contract J21009) and any amendments thereto that may be entered into from time to time hereafter, (the "Agreement") and (ii) all obligations of Counterparty now existing or hereafter arising under the Agreement, including obligations that would exist under the Agreement but for operation of any applicable provision of Title 11 (bankruptcy) of the United States Code or similar laws affecting creditor rights, or under applicable law or by agreement of Counterparty (obligations described in clauses (i) and (ii) above are referred to herein collectively as the "Guaranteed Obligations") for so long as the obligations of the Agreement remain in effect; provided, however, that the total liability of Guarantor hereunder, regardless of any amendment or modification to any Agreement, is limited to the lesser of: (a) all amounts owed by Counterparty to Beneficiary under such Agreement; or (b) **Twenty-five Million and NO/100 US Dollars (US \$25,000,000.00)** plus expenses as provided in Section 5 below. Guarantor's obligations and liability under this Guaranty shall be limited to payment obligations only, and Guarantor shall have no obligation to perform under any Agreement, including, without limitation, to sell, deliver, supply or transport coal or any other commodity.
2. **Guaranty Absolute**: The Guarantor guarantees that the Guaranteed Obligations will be paid or performed strictly in accordance with the terms of the Agreement, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of Beneficiary with respect thereto. The obligations of the Guarantor under this Guaranty are independent of, but related to, the Counterparty's obligations under the Agreement and a separate action or actions may be brought and prosecuted against the Guarantor to enforce this Guaranty, irrespective of whether any action is brought against one or more of the parties constituting Counterparty or whether one or more of the parties constituting Counterparty is joined in any such action or actions. The liability of Guarantor under

this Guaranty shall be irrevocable, absolute and unconditional irrespective of, and Guarantor hereby irrevocably waives any defenses it may now or hereafter have in any way relating to, any or all of the following:

- (a) any lack of validity or enforceability of the Agreement or any agreement or instrument relating thereto;
- (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Guaranteed Obligations under the Agreement, any modification, extension or waiver of any of the terms of the Agreement, or any other amendment or waiver of or any consent to departure from any term of the Agreement;
- (c) any taking, exchange, release or non-perfection or the taking or failure to take any other action with respect to any collateral, or any taking, release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Guaranteed Obligations;
- (d) any requirement that Beneficiary proceed against Counterparty, any other person or entity, any collateral or any manner of application of any collateral, or proceeds thereof, to all or any of the Guaranteed Obligations, or any manner of sale or other disposition of any collateral for all or any of the Guaranteed Obligations;
- (e) any change, restructuring or termination of the corporate structure or existence of Counterparty or any of its Subsidiaries;
- (f) any lack or failure of notice or any failure of Beneficiary to disclose to Counterparty or Guarantor any information relating to the financial condition, operations, properties or prospects of Counterparty or Guarantor, or relating to the Agreement, as the case may be, now or in the future known to Beneficiary (Guarantor waiving any duty on the part of Beneficiary to disclose such information); or
- (g) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by Beneficiary that might otherwise constitute a defense available to, or a discharge of, Counterparty, Guarantor or any other guarantor or surety.

Notwithstanding any provision to the contrary contained herein, Guarantor's liability hereunder shall be and is specifically limited to payments expressly required to be made in accordance with the Agreement (even if such payments are deemed to be damages), and except to the extent specifically provided in the Agreement, in no event shall Guarantor be subject hereunder to consequential, exemplary, equitable, loss of profits, punitive, tort, or any other damages, costs, or attorney's fees.

This Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Guaranteed Obligations is rescinded or must otherwise be returned by Beneficiary or any other Person upon the insolvency, bankruptcy or reorganization of one or more of the parties constituting Counterparty or the Guarantor or otherwise, all as though such payments had not been made. The obligations of the Guarantor under this Guaranty shall at all times rank at least *pari passu* in right of payment with all other unsecured and unsubordinated indebtedness (actual or contingent) of the Guarantor, except as may be required by law. This Guaranty shall continue to be effective if one or more of the parties constituting Counterparty merges or consolidates with or into another entity, loses its separate legal identity or ceases to exist.

This Guaranty is a continuing guaranty of the payment (and not of collection) by each of the parties constituting Counterparty of its obligations under the Agreement. In no event shall Guarantor's liability to Beneficiary exceed Counterparty's liability under the Agreement, notwithstanding the effect of the insolvency, bankruptcy or reorganization of Counterparty. The Guarantor agrees that its obligations under this Guaranty shall not be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of one or more parties constituting Counterparty (or the estate in bankruptcy of one or more parties constituting Counterparty) resulting from the operation of any present or future provision of the federal bankruptcy law or other similar statute.

3. **Waivers and Acknowledgments:** The Guarantor hereby waives presentment, protest, acceleration, dishonor, promptness, diligence, filing of claims with a court in the event of insolvency or bankruptcy of the one or more parties constituting Counterparty, notice of acceptance of this Guaranty and any other notice with respect to any of the Guaranteed Obligations and this Guaranty and any requirement that Beneficiary protect, secure, perfect or insure any lien or any property subject thereto or exhaust any right or take any action against one or more of the parties constituting Counterparty or any other Person or entity, or any collateral. During the term hereof,

the Guarantor hereby waives any right to revoke this Guaranty and acknowledges that this Guaranty is continuing in nature and applies to all Guaranteed Obligations, whether existing now or in the future.

No delay of Beneficiary in the exercise of, or failure to exercise, any rights hereunder shall operate as a waiver of such rights, a waiver of any other rights or a release of Guarantor from any obligations hereunder nor shall any single or partial exercise by Beneficiary of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Each and every right, remedy and power hereby granted to Beneficiary or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Beneficiary from time to time.

4. **Expenses:** Guarantor agrees to pay on demand any and all out-of-pocket costs, including reasonable legal fees and expenses, and other expenses incurred by Beneficiary Counterparty in enforcing Guarantor's obligations under this Guaranty.
5. **Subrogation:** The Guarantor will not exercise any right that it may now or hereafter acquire against Counterparty that arise from the existence, payment, performance or enforcement of the Guarantor's Obligations under this Guaranty, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of Beneficiary against Counterparty or any collateral, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from Counterparty, directly or indirectly, in cash or other property or by setoff or in any other manner, payment or security on account of such claim, remedy or right, unless and until all of the obligations of Counterparty under the Agreement and all other amounts payable under this Guaranty shall have been performed or paid in full in cash (and not subject to disgorgement in bankruptcy or otherwise). If any amount shall be paid to the Guarantor in violation of the preceding sentence at any time prior to the later of the payment in full in cash of the Guaranteed Obligations and all other amounts payable under this Guaranty, the Guarantor shall hold such amount as agent for the benefit of Beneficiary, which amount shall forthwith be paid to Beneficiary to be credited and applied to the Guaranteed Obligations and all other amounts payable under this Guaranty, whether matured or unmatured, in accordance with the terms of the Agreement, or to be held as collateral for any Guaranteed Obligations or other amounts payable under this Guaranty thereafter arising. If (i) the Guarantor shall make payment to Beneficiary of all or any part of the Guaranteed Obligations and (ii) all of the Guaranteed Obligations and all other

amounts payable under this Guaranty shall be paid in full in cash, Beneficiary will, at the Guarantor's request and expense, execute and deliver to the Guarantor appropriate documents, without recourse and without representation or warranty by Beneficiary, of all of Beneficiary's rights and benefits under the Agreement. In the event Guarantor performs part or all of Counterparty's obligations, Guarantor shall be entitled to Counterparty's rights and benefits under the Agreement and shall be subrogated to Counterparty's rights to Beneficiary with respect to such of Counterparty's obligations so performed by Guarantor.

6. **Reservation of Defenses:** Guarantor agrees that except as expressly set forth herein, it will remain bound upon this Guarantee notwithstanding any defenses which, pursuant to the laws of suretyship, would otherwise relieve a guarantor of its obligations under a guaranty. Guarantor does reserve the right to assert defenses which Counterparty may have to payment of any Guaranteed Obligation other than defenses arising from the bankruptcy or insolvency of Counterparty and other defenses expressly waived hereby.

7. **Notices:** All demands, notices and other communications provided for hereunder shall, unless otherwise specifically provided herein, (a) be in writing addressed to the party receiving the notice at the address set forth below or at such other address as may be designated by written notice, from time to time, to the other party, and (b) be effective upon receipt, when mailed by U.S. mail, registered or certified, return receipt requested, postage prepaid, or personally delivered. Notices shall be sent to the following addresses:

If to Guarantor:

Peabody Energy Corporation
701 Market Street, Suite 700
St. Louis, Missouri 63101-1826
Attn: Credit Manager
Phone: 314-588-2059

If to Beneficiary:

Louisville Gas and Electric Company
220 West Main Street
Louisville, Kentucky 40202
Attn: Director Corporate Fuels and By-Products

Kentucky Utilities Company

220 West Main Street
Louisville, Kentucky 40202
Attn: Director Corporate Fuels and By-Products

8. **Demand and Payment:** Any demand by Beneficiary for payment hereunder shall be in writing, signed by a duly authorized officer of Beneficiary and delivered to the Guarantor pursuant to Section 7 hereof, and shall (a) reference this Guaranty, (b) specifically identify Beneficiary, the Guaranteed Obligations to be performed or paid and the amount of such Guaranteed Obligations and (c) if applicable, set forth payment instructions. There are no other requirements of notice, presentment or demand. Guarantor shall pay, or cause to be paid, such Guaranteed Obligations within thirty (30) business days of receipt of such demand.
9. **Representations and Warranties of Guarantor:** Guarantor represents and warrants that:
- (a) it is a corporation duly organized and validly existing under the laws of the State of Delaware and has the power and authority to execute, deliver and carry out the terms and provisions of the Guaranty;
 - (b) no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of Guarantor for the execution and delivery of this Guaranty; and
 - (c) this Guaranty constitutes a valid and legally binding Agreement of Guarantor, except as the enforceability of this Guaranty may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws effecting creditors' rights generally and by general principles of equity.
10. **Miscellaneous:**
- Default. Guarantor represents and warrants that to its best information, knowledge and belief, no default(s) of the Agreement are known to exist as of the date of this Guaranty. Following written notice by Beneficiary to Guarantor of a Counterparty default in the performance of any Guaranteed obligation under this Agreement, Guarantor shall promptly thereafter, perform or cause to be performed such obligation of Counterparty as required by the Agreement.

Term: This Guaranty shall continue in full force and effect until the later of a) three (3) years following the termination or expiration of the Agreement, or b) December 31, 2024. Notwithstanding the foregoing, upon termination or expiration hereof, Guarantor agrees that the obligations and liabilities hereunder shall survive and continue in full force and effect with respect to any Guaranteed Obligations that have been contracted for or arise prior to the termination or expiration date, whether such Guaranteed Obligations become due and payable prior to or after the expiration or termination date.

Assignment. The Guarantor shall not assign this Guaranty without the express written consent of the Beneficiary and any purported assignment absent such consent is void. The Beneficiary shall be entitled to assign its rights under this Agreement in its sole discretion.

Severability. If any provision or portion of a provision of this Agreement is declared void and/or unenforceable, such provision or portion shall be deemed severed from this Agreement which shall otherwise remain in full force and effect.

Amendments. No amendment of this Guaranty shall be effective unless in writing and signed by Guarantor, Counterparty and Beneficiary. No waiver of any provision of this Guaranty nor consent to any departure by Guarantor therefrom shall in any event be effective unless such waiver or consent shall be in writing and signed by Beneficiary. Any such waiver shall be effective only in the specific instance and for the specific purpose for which it was given.

Successors and Assigns. This Guaranty shall be binding upon Guarantor, its successors and permitted assigns and inure to the benefit of and be enforceable by Beneficiary, its successors and assigns.

Prior Agreements. The Guaranty embodies the entire agreement and understanding between Guarantor and Beneficiary and supercedes all prior agreements and understandings relating to the subject matter hereof.

Headings. The headings in this Guaranty are for purposes of reference only, and shall not effect the meaning hereof.

11. **Limitation by Law:** All rights, remedies and powers provided in this Guaranty may be exercised only to the extent that the exercise thereof does not violate any

applicable provision of law, and all the provisions of this Guaranty are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they will not render this Guaranty invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.

12. **Confidentiality:** Beneficiary shall keep the existence and the terms of this Guaranty confidential. Except as may be required or advisable under law or regulation, Beneficiary shall only disclose the existence of this Guaranty to those affiliates, regulatory agencies, officers, directors, employees, advisors and similar third parties who, in the opinion of Beneficiary, have a need to know and who agree to keep the existence and terms of this Guaranty confidential. Beneficiary shall be responsible for any breach of this confidentiality provision by its officers, directors and employees and agents.

13. **Governing Law:** This Guaranty shall in all respects be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without regard to principles of conflicts of laws.

14. **Waiver of Right to Trial by Jury:** EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS GUARANTY.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officer effective as of this 12th day of March, 2021 ("Effective Date").

Guarantor: **PEABODY ENERGY CORPORATION**

By: James A. Tichenor

Name: **James A. Tichenor**

Title: Vice President and Treasurer

EXHIBIT B

PRODUCERS' INFORMATION

PRODUCERS:

SEVEN HILLS PIT

Producer Name: State of Organization: Business Address:

Peabody Wild Boar Mining, LLC Delaware 701 Market Street
St. Louis, MO 63101

WILD BOAR MINE

Producer Name: State of Organization: Business Address:

Peabody Wild Boar Mining, LLC Delaware 701 Market Street
St. Louis, MO 63101

FRANCISCO MINE

Producer Name: State of Organization: Business Address:

Peabody Midwest Mining, LLC Delaware 701 Market Street
St. Louis, MO 63101