

ALLIANCE RESOURCE PARTNERS LP
Form S-4
March 29, 2018

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)
[TABLE OF CONTENTS 2](#)
[TABLE OF CONTENTS](#)

[Table of Contents](#)

As filed with the Securities and Exchange Commission on March 29, 2018

Registration No. 333-

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

Form S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

ALLIANCE RESOURCE PARTNERS, L.P.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

1221
(Primary Standard Industrial
Classification Code Number)
1717 South Boulder Avenue, Suite 400
Tulsa, Oklahoma 74119
(918) 295-7600

73-1564280
(I.R.S. Employer
Identification Number)

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

R. Eberley Davis
Senior Vice President, General Counsel
and Secretary
Alliance Resource Partners, L.P.
1717 South Boulder Avenue, Suite 400
Tulsa, Oklahoma 74119
(918) 295-7600

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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David P. Oelman
 Shamus M. Crosby
 Vinson & Elkins L.L.P.
 1001 Fannin Street, Suite 2500
 Houston, Texas 77002-6760
 (713) 758-2222

**Approximate date of commencement of proposed sale of the securities to the public:
 As soon as practicable after the effective date of this registration statement and the effective
 time of the simplification transactions pursuant to the simplification agreement described in the enclosed consent statement/prospectus.**

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended ("Securities Act"), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
 (Do not check if a smaller reporting company) Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common units representing limited partner interests ("ARLP common units")	87,188,338	N/A	\$1,517,326,512	\$188,907

(1) Represents the number of ARLP common units to be received in connection with the consummation of the merger.

(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) and Rule 457(f)(1) under the Securities Act, based on the product of (i) \$25.34, which is the average of the high and low sales prices of the common units (the "AHGP common units") representing limited partner interests in Alliance Holdings GP, L.P. ("AHGP") as reported on the Nasdaq Global Select Market on March 27, 2018, which is within five business days prior to the filing of this registration statement, and (ii) 59,878,710, which is the estimated maximum number of AHGP common units eligible for exchange in the merger, which includes the expected number of AHGP common units and AHGP deferred phantom units as of immediately

prior to the closing of the merger.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

	Page
<u>General</u>	<u>105</u>
<u>Timing of Distributions</u>	<u>105</u>
<u>Issuance of Additional Units</u>	<u>105</u>
<u>Voting Rights</u>	<u>105</u>
<u>Limited Call Right</u>	<u>105</u>
<u>Exchange Listing</u>	<u>105</u>
<u>Transfer Agent and Registrar Duties</u>	<u>105</u>
<u>Transfer of ARLP Common Units</u>	<u>106</u>
<u>AHGP UNITHOLDER PROPOSALS</u>	<u>108</u>
<u>LEGAL MATTERS</u>	<u>109</u>
<u>EXPERTS</u>	<u>109</u>
<u>Alliance Resource Partners, L.P.</u>	<u>109</u>
<u>Alliance Holdings GP, L.P.</u>	<u>109</u>
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	<u>110</u>
<u>ARLP Filings with the SEC (Commission File No. 001-26823)</u>	<u>110</u>
<u>AHGP Filings with the SEC (Commission File No. 001-51952)</u>	<u>110</u>
<u>FINANCIAL STATEMENTS</u>	<u>F-1</u>
<u>ANNEX A SIMPLIFICATION AGREEMENT</u>	<u>A-1</u>
<u>ANNEX B SUPPORT AGREEMENT</u>	<u>B-1</u>

Table of Contents

the approval of, governmental authorities in any jurisdiction that is applicable to the merger and the other simplification transactions.

The merger and the other simplification transactions are not reportable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and therefore no filings with respect to the merger and the other simplification transactions are required with the Federal Trade Commission or the Antitrust Division of the Department of Justice.

No Appraisal Rights

AHGP unitholders do not have appraisal rights under the AHGP partnership agreement, the simplification agreement or applicable Delaware law.

Table of Contents

of the amount allowable as a percentage depletion deduction for any property will be reduced by 20% of the excess, if any, of that partner's allocable share of the amount of the percentage depletion deductions for the taxable year over the adjusted tax basis of the mineral property as of the close of the taxable year.

Mining Exploration and Development Expenditures

We will elect to currently deduct mining exploration expenditures that we pay or incur to determine the existence, location, extent or quality of coal deposits prior to the time the existence of coal in commercially marketable quantities has been disclosed.

Amounts we deduct for mine exploration expenditures must be recaptured and included in our taxable income at the time a mine reaches the production stage, unless we elect to reduce future depletion deductions by the amount of the recapture. A mine reaches the producing stage when the major part of the coal production is obtained from working mines other than those opened for the purpose of development or the principal activity of the mine is the production of developed coal rather than the development of additional coal for mining. This recapture is accomplished through the disallowance of both cost and percentage depletion deductions on the particular mine reaching the production stage. This disallowance of depletion deductions continues until the amount of adjusted exploration expenditures with respect to the mine have been fully recaptured. This recapture is not applied to the full amount of the previously deducted exploration expenditures. Instead, these expenditures are reduced by the amount of percentage depletion, if any, that was lost as a result of deducting these exploration expenditures.

We generally elect to defer mine development expenses, consisting of expenditures incurred in making coal available for extraction, after the exploration process has disclosed the existence of coal in commercially marketable quantities, and deduct them on a ratable basis as the coal benefited by the expense is sold.

Sales of Coal Reserves

If any coal reserves are sold or otherwise disposed of in a taxable transaction, we will recognize (and allocate to our unitholders) gain or loss measured by the difference between the amount realized (including the amount of any indebtedness assumed by purchaser upon such disposition or to which such property is subject) and the adjusted tax basis of the property sold. Generally, the character of any gain or loss recognized upon that disposition will depend upon whether our coal reserves or the mined coal sold are held by us:

for sale to customers in the ordinary course of business (i.e. we are a "dealer" with respect to that property);

for use in a trade or business within the meaning of Section 1231 of the Internal Revenue Code; or

as a capital asset within the meaning of Section 1221 of the Internal Revenue Code.

In determining dealer status with respect to coal reserves and other types of real estate, the courts have identified a number of factors for distinguishing between a particular property held for sale in the ordinary course of business and one held for investment. Any determination must be based on all the facts and circumstances surrounding the particular property and sale in question.

We intend to hold our coal reserves for use in a trade or business and achieving long-term capital appreciation. Although our general partner may consider strategic sales of coal reserves consistent with achieving long-term capital appreciation, our general partner does not anticipate frequent sales of coal reserves nor significant marketing, improvement or subdivision activity in connection with any strategic

Table of Contents

sales. Thus, we do not believe that we will be viewed as a dealer. In light of the factual nature of this question, however, there is no assurance that our purposes for holding our properties will not change and that our future activities will not cause us to be a "dealer" in coal reserves.

If we are not a dealer with respect to our coal reserves and we have held the disposed property for more than a one-year period primarily for use in our trade or business, the character of any gain or loss realized from a disposition of the property will be determined under Section 1231 of the Internal Revenue Code. If we have not held the property for more than one year at the time of the sale, gain or loss from the sale will be taxable as ordinary income.

A unitholder's distributive share of any Section 1231 gain or loss generated by us will be aggregated with any other gains and losses realized by that unitholder from the disposition of property used in the trade or business, as defined in Section 1231(b) of the Internal Revenue Code, and from the involuntary conversion of such properties and of capital assets held in connection with a trade or business or a transaction entered into for profit for the requisite holding period. If a net gain results, all such gains and losses will be long-term capital gains and losses; if a net loss results, all such gains and losses will be ordinary income and losses. Net Section 1231 gains will be treated as ordinary income to the extent of prior net Section 1231 losses of the taxpayer or predecessor taxpayer for the five most recent prior taxable years to the extent such losses have not previously been offset against Section 1231 gains. Losses are deemed recaptured in the chronological order in which they arose.

If we are not a dealer with respect to our coal reserves and that property is not used in a trade or business, the property will be a "capital asset" within the meaning of Section 1221 of the Internal Revenue Code. Gain or loss recognized from the disposition of that property will be taxable as capital gain or loss, and the character of such capital gain or loss as long-term or short-term will be based upon our holding period of such property at the time of its sale. The requisite holding period for long-term capital gain is more than one year.

Upon a disposition of coal reserves, a portion of the gain, if any, equal to the lesser of (1) the depletion deductions that reduced the tax basis of the disposed mineral property plus deductible development and mining exploration expenses or (2) the amount of gain recognized on the disposition, will be treated as ordinary income to us.

Disposition of Common Units

Recognition of Gain or Loss

A common unitholder will be required to recognize gain or loss on a sale or exchange of a unit equal to the difference, if any, between the common unitholder's amount realized and the adjusted tax basis in the unit sold. A common unitholder's amount realized generally will equal the sum of the cash and the fair market value of other property it receives plus its share of our nonrecourse liabilities with respect to the unit sold or exchanged. Because the amount realized includes a common unitholder's share of our nonrecourse liabilities, the gain recognized on the sale or exchange of a unit could result in a tax liability in excess of any cash received from such sale or exchange.

Except as noted below, gain or loss recognized by a common unitholder on the sale or exchange of a unit held for more than one year generally will be taxable as long-term capital gain or loss. However, gain or loss recognized on the disposition of common units will be separately computed and taxed as ordinary income or loss under Section 751 of the Internal Revenue Code to the extent attributable to Section 751 Assets, primarily depletion and depreciation recapture and our "inventory items," regardless of whether such inventory item has substantially appreciated in value. Ordinary income attributable to Section 751 Assets may exceed net taxable gain realized on the sale or exchange of a unit and may be recognized even if there is a net taxable loss realized on the sale of a unit. Thus, a common unitholder may recognize both ordinary income and a capital gain or loss upon a sale or exchange of a unit. Net capital loss may offset capital gains and, in the case of individuals, up to \$3,000 of ordinary income per year.

Table of Contents

For purposes of calculating gain or loss on the sale or exchange of a unit, the unitholder's adjusted tax basis will be adjusted by its allocable share of our income or loss in respect of its unit for the year of the sale. Furthermore, as described above the IRS has ruled that a partner who acquires interests in a partnership in separate transactions must combine those interests and maintain a single adjusted tax basis for all those interests. Upon a sale or other disposition of less than all of those interests, a portion of that tax basis must be allocated to the interests sold using an "equitable apportionment" method, which generally means that the tax basis allocated to the interest sold equals an amount that bears the same relation to the partner's tax basis in its entire interest in the partnership as the value of the interest sold bears to the value of the partner's entire interest in the partnership.

Treasury Regulations under Section 1223 of the Internal Revenue Code allow a selling common unitholder who can identify units transferred with an ascertainable holding period to elect to use the actual holding period of the units transferred. Thus, according to the ruling discussed in the paragraph above, a common unitholder will be unable to select high or low basis units to sell as would be the case with corporate stock, but, according to the Treasury Regulations, such unitholder may designate specific units sold for purposes of determining the holding period of units transferred. A common unitholder electing to use the actual holding period of any unit transferred must consistently use that identification method for all subsequent sales or exchanges of our units. A common unitholder considering the purchase of additional units or a sale or exchange of common units purchased in separate transactions is urged to consult its tax advisor as to the possible consequences of this ruling and application of the Treasury Regulations.

Specific provisions of the Internal Revenue Code affect the taxation of some financial products and securities, including partnership interests, by treating a taxpayer as having sold an "appreciated" financial position, including a partnership interest, with respect to which gain would be recognized if it were sold, assigned or terminated at its fair market value, in the event the taxpayer or a related person enters into:

a short sale;

an offsetting notional principal contract; or

a futures or forward contract with respect to the partnership interest or substantially identical property.

Moreover, if a taxpayer has previously entered into a short sale, an offsetting notional principal contract or a futures or forward contract with respect to the partnership interest, the taxpayer will be treated as having sold that position if the taxpayer or a related person then acquires the partnership interest or substantially identical property. The Secretary of the Treasury is authorized to issue Treasury Regulations that treat a taxpayer that enters into transactions or positions that have substantially the same effect as the preceding transactions as having constructively sold the financial position. Please read " Tax Consequences of Unit Ownership Treatment of Securities Loans."

Allocations Between Transferors and Transferees

In general, our taxable income or loss will be determined annually, will be prorated on a monthly basis and will be subsequently apportioned among the common unitholders in proportion to the number of units owned by each of them as of the opening of the applicable exchange on the first business day of the month (the "Allocation Date"). Nevertheless, we allocate certain deductions for depletion and depreciation of capital additions based upon the date the underlying property is placed in service, and gain or loss realized on a sale or other disposition of our assets or, in the discretion of the general partner, any other extraordinary item of income, gain, loss or deduction will be allocated among the common unitholders on the Allocation Date in the month in which such income, gain, loss

Table of Contents

unitholders take such audit adjustment into account in accordance with their interests in us during the taxable year under audit, our then current unitholders may bear some or all of the tax liability resulting from such audit adjustment, even if such unitholders did not own our common units during the taxable year under audit. If, as a result of any such audit adjustment, we are required to make payments of taxes, penalties or interest, our cash available for distribution to our unitholders might be substantially reduced and our current and former unitholders may be required to indemnify us for any taxes (including any applicable penalties and interest) resulting from such audit adjustments that were paid on such unitholders' behalf. These rules are not applicable for taxable years beginning on or prior to December 31, 2017. Congress has proposed changes to the Bipartisan Budget Act, and we anticipate that amendments may be made. Accordingly, the manner in which these rules may apply to us in the future is uncertain.

Additionally, pursuant to the Bipartisan Budget Act of 2015, the Internal Revenue Code will no longer require that we designate a Tax Matters Partner. Instead, for taxable years beginning after December 31, 2017, we will be required to designate a partner, or other person, with a substantial presence in the United States as the partnership representative ("Partnership Representative"). The Partnership Representative will have the sole authority to act on our behalf for purposes of, among other things, federal income tax audits and judicial review of administrative adjustments by the IRS. If we do not make such a designation, the IRS can select any person as the Partnership Representative. We have designated our general partner as the Partnership Representative. Further, any actions taken by us or by the Partnership Representative on our behalf with respect to, among other things, federal income tax audits and judicial review of administrative adjustments by the IRS, will be binding on us and all of our unitholders.

Additional Withholding Requirements

Withholding taxes may apply to certain types of payments made to "foreign financial institutions" (as specially defined in the Internal Revenue Code) and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on interest, dividends and other fixed or determinable annual or periodic gains, profits and income from sources within the United States ("FDAP Income"), or gross proceeds from the sale or other disposition of any property of a type which can produce interest or dividends from sources within the United States ("Gross Proceeds") paid to a foreign financial institution or to a "non-financial foreign entity" (as specially defined in the Internal Revenue Code), unless (i) the foreign financial institution undertakes certain diligence and reporting, (ii) the non-financial foreign entity either certifies it does not have any substantial U.S. owners or furnishes identifying information regarding each substantial U.S. owner or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in clause (i) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to noncompliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing these requirements may be subject to different rules.

Generally these rules apply to current payments of FDAP Income and will apply to payments of relevant Gross Proceeds made on or after January 1, 2019. Thus, to the extent we have FDAP Income or we have Gross Proceeds on or after January 1, 2019 that are not treated as effectively connected with a U.S. trade or business (please read "Tax-Exempt Organizations and Other Investors"), a unitholder that is a foreign financial institution or certain other non-U.S. entity, or a person that holds its common units through such foreign entities, may be subject to withholding on distributions they receive from us, or its distributive share of our income, pursuant to the rules described above.

Table of Contents

Each prospective unitholder should consult its own tax advisors regarding the potential application of these withholding provisions to its investment in our common units.

Nominee Reporting

Persons who hold an interest in us as a nominee for another person are required to furnish to us:

- (1) the name, address and taxpayer identification number of the beneficial owner and the nominee;
- (2) a statement regarding whether the beneficial owner is:
 - (a) a non-U.S. person;
 - (b) a non-U.S. government, an international organization or any wholly owned agency or instrumentality of either of the foregoing; or
 - (c) a tax-exempt entity;
- (3) the amount and description of units held, acquired or transferred for the beneficial owner; and
- (4) specific information including the dates of acquisitions and transfers, means of acquisitions and transfers, and acquisition cost for purchases, as well as the amount of net proceeds from sales.

Each broker and financial institution is required to furnish additional information, including whether such broker or financial institution is a U.S. person and specific information on any common units such broker or financial institution acquires, holds or transfers for its own account. A penalty per failure, up to a significant maximum amount per calendar year, is imposed by the Internal Revenue Code for failure to report that information to us. The nominee is required to supply the beneficial owner of our common units with the information furnished to us.

Accuracy-Related Penalties

Certain penalties may be imposed as a result of an underpayment of tax that is attributable to one or more specified causes, including negligence or disregard of rules or regulations, substantial understatements of income tax and substantial valuation misstatements. No penalty will be imposed, however, for any portion of an underpayment if it is shown that there was a reasonable cause for the underpayment of that portion and that the taxpayer acted in good faith regarding the underpayment of that portion. We do not anticipate that any accuracy-related penalties will be assessed against us.

State, Local and Other Tax Considerations

In addition to federal income taxes, unitholders may be subject to other taxes, including state and local income taxes, unincorporated business taxes and estate, inheritance or intangibles taxes that may be imposed by the various jurisdictions in which we conduct business or own property now or in the future or in which the unitholder is a resident. We conduct business or own property in many states in the United States. Some of these states may impose an income tax on individuals, corporations and other entities. As we make acquisitions or expand our business, we may own property or conduct business in additional states that impose a personal income tax. Although an analysis of those various taxes is not presented here, each prospective unitholder should consider the potential impact of such taxes on its investment in us.

A common unitholder may be required to file income tax returns and pay income taxes in some or all of the jurisdictions in which we do business or own property, though such unitholder may not be required to file a return and pay taxes in certain jurisdictions because its income from such jurisdictions

Table of Contents

falls below the jurisdiction's filing and payment requirement. Further, a common unitholder may be subject to penalties for a failure to comply with any filing or payment requirement applicable to such unitholder. Some of the jurisdictions may require us, or we may elect, to withhold a percentage of income from amounts to be distributed to a common unitholder who is not a resident of the jurisdiction. Withholding, the amount of which may be greater or less than a particular common unitholder's income tax liability to the jurisdiction, generally does not relieve a nonresident common unitholder from the obligation to file an income tax return.

IT IS THE RESPONSIBILITY OF EACH UNITHOLDER TO INVESTIGATE THE LEGAL AND TAX CONSEQUENCES, UNDER THE LAWS OF PERTINENT JURISDICTIONS, OF HIS INVESTMENT IN US. WE STRONGLY RECOMMEND THAT EACH PROSPECTIVE UNITHOLDER CONSULT, AND DEPEND UPON, ITS OWN TAX COUNSEL OR OTHER ADVISOR WITH REGARD TO THOSE MATTERS. FURTHER, IT IS THE RESPONSIBILITY OF EACH UNITHOLDER TO FILE ALL STATE, LOCAL AND NON U.S., AS WELL AS U.S. FEDERAL TAX RETURNS THAT MAY BE REQUIRED OF IT. VINSON & ELKINS HAS NOT RENDERED AN OPINION ON THE STATE, LOCAL, ALTERNATIVE MINIMUM TAX OR NON U.S. TAX CONSEQUENCES OF AN INVESTMENT IN US.

Table of Contents

INTERESTS OF CERTAIN PERSONS IN THE SIMPLIFICATION TRANSACTIONS

Interests of the AGP Executive Officers and Directors in the Simplification Transactions

In considering the recommendation of the AGP Board to approve the simplification agreement and the transactions contemplated thereby, including the merger, AHGP unitholders should be aware that some of the executive officers and directors of AGP have interests in the simplification transactions that may differ from, or may be in addition to, the interests of AHGP unitholders generally. These interests may present such executive officers and directors with actual or potential conflicts of interest. These interests include the following:

AHGP and ARLP common units. Some of the executive officers and directors of AGP currently own AHGP common units and will be receiving ARLP common units as a result of the simplification transactions. AHGP common units held by the directors and executive officers will be exchanged for ARLP common units at a ratio that will be calculated in accordance with the terms of the simplification agreement. This ratio will be the same ratio as that applicable to the unaffiliated AHGP unitholders. In addition, certain directors and officers of AGP currently own ARLP common units.

AHGP Equity Based Awards. The independent directors of AGP also hold AHGP deferred phantom units (as defined under the heading "The Simplification Agreement Treatment of AHGP Phantom Units"). Immediately prior to the consummation of the simplification transactions, all AHGP deferred phantom units that are then outstanding will be paid in full and deemed to have been converted into AHGP common units. By virtue of the simplification transactions and without any action on the part of the holder of the AHGP deferred phantom units, the AHGP deferred phantom units will be treated as AHGP common units and will be exchanged for ARLP common units at a ratio that will be calculated in accordance with the terms of the simplification agreement and that will be the same ratio as that applicable to all unaffiliated AHGP unitholders.

Indemnification. For a period of at least six years following the consummation of the simplification transactions, the ARLP partnership agreement will contain provisions no less favorable with respect to indemnification, advancement of expenses and limitations on liability of directors and officers than are set forth in the AHGP partnership agreement. Such provisions will not be amended, repealed or otherwise modified for a period of six years from the consummation of the simplification transactions in any manner that would affect adversely the rights thereunder of individuals who, at or prior to such time, were indemnitees, unless such modification is required by law and then only to the minimum extent required by law. All rights to indemnification, advancement of expenses and exculpation from liabilities for acts or omissions occurring at or prior to the consummation of the simplification transactions now existing in favor of existing indemnified parties, as provided in the AHGP partnership agreement, will be assumed by ARLP and MGP in the simplification transactions, without further action, at the consummation of the simplification transactions and will survive the simplification transactions and will continue in full force and effect in accordance with their terms.

Director and Executive Officer Interlock. Two of the current directors of MGP are also directors of AGP; three executive officers of MGP are also executive officers of AGP; and three other executive officers of MGP are deemed to be executive officers of AGP.

Support Agreement. In addition, the AHGP supporting unitholders include Joseph W. Craft III, President, Chief Executive Officer and Chairman of AGP. The AHGP supporting unitholders beneficially own approximately 52% of the total AHGP common units and have entered into a support agreement to vote in favor of the simplification agreement and the transactions

Table of Contents

contemplated thereby, including the merger. For more information on the support agreement, please read "Interests of Certain Persons in the Simplification Transactions Support Agreement."

The directors and executive officers of AGP beneficially owned an aggregate of 41,363,372 AHGP common units as of March 26, 2018, representing approximately 69.1% of the total voting power of AHGP's voting securities.

Merger-Related Compensation

There are no agreements or understandings, whether written or unwritten, with AGP's officers concerning the information specified in Item 402(t)(2) or (3) of Regulation S-K (i.e., any type of compensation, whether present, deferred or contingent, that is based on or otherwise relates to the simplification transactions).

Treatment of AHGP Phantom Units

Immediately prior to the consummation of the simplification transactions, all outstanding AHGP deferred phantom units issued to AGP's independent directors will be paid in full and will be deemed to have been converted into AHGP common units. Upon the effective time of the simplification transactions, and without any action on the part of the holder of the AHGP deferred phantom units, all AHGP deferred phantom units will be treated as AHGP common units and will be exchanged for ARLP common units at a ratio that will be calculated in accordance with the terms of the simplification agreement and that will be the same ratio as that applicable to all unaffiliated AHGP unitholders.

The table below sets forth, for each AGP director, the number of outstanding AHGP deferred phantom units that was held by such director as of March 26, 2018, the latest practicable date to determine such amounts before the filing of this consent statement/prospectus. None of AGP's executive officers held AHGP deferred phantom units as of March 26, 2018. These numbers do not include additional AHGP deferred phantom units that may be issued following the date of this consent statement/prospectus. The value of the AHGP deferred phantom units included below is calculated based on an assumed exchange of one AHGP deferred phantom unit for 1.478 ARLP common units and an assumed market price per ARLP common unit equal to \$17.80 (which equals the average closing market price of an ARLP common unit on the NASDAQ over the first five business days following February 23, 2018, the date of the first public announcement of the simplification transactions).

	AHGP Deferred Phantom Units (#)	ARLP Common Units (#)	Value (\$)
Directors of AGP:			
Joseph W. Craft III	0	0	\$ 0
Thomas M. Davidson, Sr.	7,700	11,380	\$ 202,564
Robert J. Druten	7,010	10,360	\$ 184,408
Wilson M. Torrence	0	0	\$ 0

Ownership Interests of Directors and Executive Officers

The following table sets forth, as of March 26, 2018, for each of AGP's and MGP's directors and executive officers: (a) the number of AHGP common units that each such person beneficially owns; (b) the number of ARLP common units that each such person beneficially owns; and (c) the total estimated number of ARLP common units that such director or executive officer will beneficially own after the consummation of the simplification transactions based on the estimated exchange ratio of

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Table of Contents

1,478 and the estimated 1,320,377 ARLP common units that will be issued to SGP in connection with the simplification transactions.

	AHGP Common Units	ARLP Common Units	Total ARLP Common Units Owned After the Simplification Transactions
Directors and Executive Officers of AGP:			
Joseph W. Craft III(1)(2)(3)(4)	41,141,155	87,554,971	62,493,637
Thomas M. Davidson, Sr.			11,380
Robert J. Druten	18,246		37,327
Wilson M. Torrence		34,796	34,796
Brian L. Cantrell	26,500	108,361	147,528
R. Eberley Davis	7,500	79,407	90,492
Robert G. Sachse	20,000	118,210	147,770
Thomas M. Wynne(4)	684,525	75,160	1,086,887
Charles R. Wesley III(5)	2,912,500		4,304,675
All directors and executive officers as a group (9 persons)	41,363,372	87,970,905	63,238,007
Directors and Executive Officers of MGP:			
Joseph W. Craft III(1)(2)(3)(4)	41,141,155	87,554,971	62,493,637
Nick Carter	10,000	3,000	17,780
John P. Neafsey		51,604	51,604
John H. Robinson		18,462	18,462
Wilson M. Torrence		34,796	34,796
Charles R. Wesley III(5)	2,912,500		4,304,675
Brian L. Cantrell	26,500	108,361	147,528
R. Eberley Davis	7,500	79,407	90,492
Robert G. Sachse	20,000	118,210	147,770
Thomas M. Wynne(4)	684,525	75,160	1,086,887
Timothy J. Whelan		20,223	20,223
All directors and executive officers as a group (11 persons)	41,355,126	88,064,194	63,319,109

(1)

The AHGP common units attributed to Mr. Craft consist of (i) 2,463,449 AHGP common units held by the JWC III Rev Trust, of which Mr. Craft is trustee, (ii) 20,641,168 AHGP common units held by SGP (indirectly owned by Mr. Craft and Kathleen S. Craft), (iii) 315,941 AHGP common units held by Alliance Management Holdings III, LLC ("AMH III"), of which Mr. Craft may be deemed to be beneficial owner by virtue of his status as President and sole director of AMH III, (iv) 114,061 AHGP common units attributable to Mr. Craft's spouse and (v) 17,606,536 AHGP common units held by the management group (some of whom are current or former members of management of ARLP) other than Mr. Craft with whom he may be deemed to comprise a group under Rule 13d-5(b) of the Exchange Act. The filing of this consent statement/prospectus shall not be deemed an admission that Mr. Craft beneficially owns the AHGP common units referenced in clauses (iii) and (v) of this footnote.

Members of the management group are parties to a Transfer Restrictions Agreement that contains certain provisions (e.g., drag-along rights granted to Mr. Craft) that, pursuant to Exchange Act Rule 13d-5(b), may cause the management group to be deemed to comprise a group under Exchange Act Rule 13d-5(b). The Transfer Restrictions Agreement shall terminate upon the earlier of (a) the approved transfer of all restricted units by a majority of the disinterested members of the AGP Board pursuant to certain procedures set forth in the agreement or (b) the consent of

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Table of Contents

unitholders holding at least 80% of restricted units under the agreement. Accordingly, without affirming the existence of an Exchange Act Rule 13d-5(b) group, the management group made a Schedule 13D filing pursuant to Exchange Act requirements.

- (2) The AHGP common units attributed to Ms. Craft consist of (i) 1,998,250 AHGP common units held directly by the Kathleen S. Craft Revocable Trust, of which Ms. Craft is trustee and (ii) 20,641,168 AHGP common units held by SGP (indirectly owned by Mr. Craft and Kathleen S. Craft). 1,966,856 of the AHGP common units referenced in clause (i) of this footnote are attributable to Mr. Craft as referenced in clause (v) of footnote (1) above.
- (3) The ARLP common units attributed to Mr. Craft consist of (i) 357,452 ARLP common units held directly by him, (ii) 2,000 ARLP common units held by his son, (iii) 31,088,338 ARLP common units held directly by AHGP, (iv) 56,100,000 common units held by MGP II, and (v) 7,181 common units held by SGP (indirectly owned by Mr. Craft and Kathleen S. Craft). Mr. Craft is Chairman of the AGP Board and, through his ownership of C-Holdings, the indirect sole owner of AGP, and he holds, directly or indirectly, or may be deemed to be the beneficial owner of, a majority of the outstanding common units of AHGP (as described in footnote (1) above). As of March 26, 2018, AHGP, including its 100% indirectly owned subsidiary, MGP II, beneficially owned 66.6% of ARLP's units. Mr. Craft disclaims beneficial ownership of the ARLP common units beneficially held by AHGP except to the extent of his pecuniary interest therein.
- (4) Mr. Wynne is part of the management group with whom Mr. Craft may be deemed to comprise a group under Rule 13d-5(b) of the Exchange Act, as more fully described in clause (v) of footnote (1) above. Of the 684,525 AHGP common units collectively held, directly and through family trusts, by Mr. Wynne, 624,525 AHGP common units represent a portion of the 17,606,536 AHGP common units attributed to Mr. Craft as referenced in clause (v) of footnote (1) above. Accordingly, in order to avoid double counting, those 624,525 AHGP common units were not included in the line item of the above table entitled "All directors and executive officers as a group (9 persons)" for the calculation of the aggregate number of AHGP common units beneficially owned by the listed officers and directors.
- (5) Charles R. Wesley III holds 2,912,500 AHGP common units through trusts and other entities controlled by him and his spouse. The reference in clause (v) of footnote (1) above to 17,606,536 AHGP common units beneficially held by Mr. Craft, includes 2,822,529 AHGP common units held by Mr. Wesley and his spouse. Accordingly, in order to avoid double counting, those 2,822,529 AHGP common units were not included in the line item of the above table entitled "All directors and executive officers as a group (9 persons)" for the calculation of the aggregate number of AHGP common units beneficially owned by the listed officers and directors.

Indemnification; Director's and Officer's Insurance

Pursuant to the simplification agreement, ARLP has agreed that all rights to indemnification, advancement of expenses and exculpation from liabilities for acts or omissions occurring at or prior to the consummation of the simplification transactions existing as of the date of the simplification agreement in favor of any AHGP indemnitee will be assumed by ARLP and MGP in connection with the simplification transactions, without further action, at the consummation of the simplification transactions and will survive the simplification transactions and will continue in full force and effect in accordance with their terms.

For a period of six years from the consummation of the simplification transactions, the ARLP partnership agreement will contain provisions no less favorable with respect to indemnification, advancement of expenses and limitations on liability of directors and officers than are set forth in AHGP's existing partnership agreement, which provisions will not be amended, repealed or otherwise modified for a period of six years from the consummation of the simplification transactions in any

Table of Contents

manner that would affect adversely the rights thereunder of individuals who, at or prior to the consummation of the simplification transactions, were AHGP indemnitees, unless such modification is required by law and then only to the minimum extent required by law.

Director and Executive Officer Interlock

Two of the current directors of MGP, namely, Joseph W. Craft III and Wilson M. Torrence, are also directors of AGP; three of the current executive officers of MGP, namely, Joseph W. Craft III, Brian L. Cantrell and R. Eberley Davis, are also executive officers of AGP; and three other executive officers of MGP, namely, Robert G. Sachse, Charles R. Wesley and Thomas M. Wynne, are deemed to be executive officers of AGP.

Table of Contents

DIRECTORS AND EXECUTIVE OFFICERS FOLLOWING THE MERGER

As of the date of this consent statement/prospectus, the current directors and executive officers of MGP and AGP are expected to continue in their respective roles as the directors and executive officers of MGP and AGP following consummation of the merger, except that Wilson M. Torrence, who currently is a member of both the MGP Board and the AGP Board, will resign from the AGP Board after consummation of the merger. After the simplification transactions, AGP, as the sole member of MGP, will continue to have the power to appoint members of the MGP Board. Executive officers of MGP and AGP are appointed by the directors of MGP and AGP, respectively.

Table of Contents

COMPARISON OF AHGP UNITHOLDER RIGHTS AND ARLP UNITHOLDER RIGHTS

The rights of AHGP unitholders are currently governed by AHGP's existing partnership agreement and the Delaware Revised Uniform Limited Partnership Act ("DRULPA"). The rights of ARLP unitholders are currently governed by ARLP's existing partnership agreement and the DRULPA. After the simplification transactions, the rights of ARLP unitholders and the former AHGP unitholders will be governed by ARLP's existing partnership agreement and the DRULPA.

Set forth below is a discussion of the material differences between the rights of a holder of AHGP common units under AHGP's existing partnership agreement and the DRULPA, on the one hand, and the rights of a holder of ARLP common units under ARLP's existing partnership agreement and the DRULPA, on the other hand. Unless the context otherwise requires, references in this section to (i) "MLP Group" means ARLP and its subsidiaries, (ii) "AHGP Partnership Group" means AHGP and its subsidiaries treated as a single consolidated entity, but excluding the MLP Group, (iii) "AHGP Group Member" means a member of the AHGP Partnership Group, (iv) "ARLP Partnership Group" means ARLP, AROP, Alliance Coal and any subsidiary of any such entity, treated as a single consolidated entity and (v) "ARLP Group Member" means a member of the ARLP Partnership Group.

This summary does not purport to be a complete discussion of, and is qualified in its entirety by reference to, the DRULPA and the constituent documents of AHGP and ARLP. We urge you to read AHGP's existing partnership agreement, ARLP's existing partnership agreement and the DRULPA carefully and in their entirety.

	AHGP	ARLP
Purpose and Term of Existence	<p>AHGP's stated purpose is to (i) engage directly in, or enter into or form any corporation, partnership, joint venture, limited liability company or other arrangement to engage indirectly in, any business activity that is approved by AGP and that lawfully may be conducted by a limited partnership organized pursuant to the DRULPA and, in connection therewith, to exercise all of the rights and powers conferred upon AHGP pursuant to the agreements relating to such business activity and (ii) do anything necessary or appropriate to the foregoing, including the making of capital contributions or loans to its subsidiaries (excluding ARLP and its subsidiaries); <i>provided, however</i>, AGP shall not cause AHGP to engage, directly or indirectly, in any business activity that AGP determines would cause AHGP to be treated as an association taxable</p>	<p>ARLP's stated purpose is to (i) serve as partner of AROP, (ii) engage directly in, or enter into or form any corporation, partnership, joint venture, limited liability company or other arrangement to engage indirectly in, any business activity that AROP is permitted to engage in by AROP's partnership agreement and any business activity that Alliance Coal is permitted to engage in by Alliance Coal's limited liability company agreement, (iii) engage directly in, or enter into or form any corporation, partnership, joint venture, limited liability company or other arrangement to engage indirectly in, any business activity that is approved by MGP and which lawfully may be conducted by a limited partnership organized pursuant to DRULPA and, in connection therewith, to exercise all of the rights and powers</p>

Table of Contents

	AHGP	ARLP
	as a corporation or otherwise taxable as an entity for federal income tax purposes.	conferred upon ARLP pursuant to the agreements relating to such business activity <i>provided, however</i> , that MGP reasonably determines, as of the date of the acquisition or commencement of such activity, that such activity (a) generates qualifying income or (b) enhances the operations of an activity of AROP or Alliance Coal or an ARLP activity that generates qualifying income, and (iv) do anything necessary or appropriate to the foregoing, including the making of capital contributions or loans to an ARLP Group Member.
	The existence of AHGP as a separate legal entity will continue until the cancellation of its certificate of limited partnership as provided in the DRULPA.	The existence of ARLP as a separate legal entity will continue until the cancellation of its certificate of limited partnership as provided in the DRULPA.
Outstanding Common Units	As of March 26, 2018, AHGP had 59,863,000 common units outstanding.	As of March 26, 2018, ARLP had 130,903,256 common units outstanding.
Source of Cash Flow	AHGP currently has no independent operations. AHGP owns the following direct and indirect partnership interests: a 1.0001% general partner interest in AROP, which AHGP holds through its 100% indirect ownership interest in MGP; 87,188,338 common units of ARLP, representing approximately 66.6% of the 130,903,256 common units of ARLP outstanding as of February 23, 2018; and a 0.001% managing member interest in Alliance Coal, which AHGP holds through its 100% indirect ownership interest in MGP.	ARLP is a diversified producer and marketer of coal primarily to major United States utilities and industrial users. ARLP owns a 0.01% general partner interest and a 98.9899% limited partner interest in AROP, which owns a 99.999% membership interest in Alliance Coal.

Table of Contents

	AHGP	ARLP
Transfer of Units	<p>Accordingly, AHGP's financial performance and its ability to pay cash distributions to its unitholders are directly dependent upon the performance of ARLP and AROP.</p> <p>Except as otherwise set forth in the AHGP partnership agreement, transfer of AHGP's limited partner interests will not be recognized until either (i) certificates evidencing those limited partner interests are surrendered for registration of transfer or (ii) the receipt of proper instructions from the registered owner of uncertificated AHGP common units.</p>	<p>The rights of a holder of ARLP common units with respect to the transfer of ARLP limited partner interests are substantially the same as the rights of a holder of AHGP common units with respect to the transfer of AHGP limited partner interests.</p>
Transfer of General Partner Interest	<p>AGP may transfer its general partner interest in AHGP without approval from any AHGP unitholder, so long as (i) the transferee agrees to assume the rights and duties of AGP under the AHGP partnership agreement and to be bound by the provisions of the AHGP partnership agreement and (ii) AHGP receives an opinion of counsel that such transfer would not result in the loss of limited liability of any limited partner or cause AHGP to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes.</p>	<p>MGP may transfer its general partner interest in ARLP without approval from any ARLP unitholder, so long as (i) MGP transfers its general partner interest in whole and not in part, (ii) the transferee agrees to assume the rights and duties of MGP under the ARLP partnership agreement and AROP's partnership agreement and the managing member under Alliance Coal's limited liability company agreement and to be bound by the provisions of the ARLP partnership agreement, AROP's partnership agreement and Alliance Coal's limited liability company agreement; (iii) ARLP receives an opinion of counsel that such transfer would not result in the loss of limited liability of any limited partner or of any limited partner of AROP or of any member of Alliance Coal or cause</p>

Table of Contents

	AHGP	ARLP
Issuances of Additional Partnership Securities	<p>AHGP may issue additional partnership securities for any partnership purpose at any time and from time to time to such persons for such consideration and on such terms and conditions as AGP shall determine, all without the approval of any limited partners. AHGP may issue any class or series of partnership interests having preferences or other special or senior rights over the previously outstanding AHGP common units.</p> <p>It is possible that AHGP will fund acquisitions, and other capital requirements, through the issuance of additional AHGP common units or other securities. Holders of any additional AHGP common units that AHGP issues will be entitled to share with the then-existing AHGP unitholders in AHGP's distributions of available cash. In addition, the issuance of additional common units or other partnership securities may dilute (i) the value of the interests of the then-existing AHGP unitholders in AHGP's net assets and (ii) the voting rights of the then-existing AHGP unitholders under the AHGP partnership agreement.</p>	<p>ARLP, AROP or Alliance Coal to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not already so treated or taxed); and (iv) such transferee also agrees to purchase all (or the appropriate portion thereof, if applicable) of the partnership interest of MGP as the general partner or managing member of each other ARLP Group Member. The provisions governing the issuance of additional partnership securities under the ARLP partnership agreement are substantially the same as the description of the provisions governing the issuance of additional partnership securities under the AHGP partnership agreement.</p>

Table of Contents

	AHGP	ARLP
Preemptive Rights	AHGP unitholders do not have preemptive rights to acquire additional AHGP common units or other partnership interests.	ARLP unitholders do not have preemptive rights to acquire additional ARLP common units or other partnership interests.
Limited Call Rights	If at any time less than 15% of the total limited partner interests of any class then outstanding is held by persons other than AGP and its affiliates, AGP will then have the right, which right it may assign and transfer in whole or in part to AHGP or any affiliate of AGP, exercisable at its option, to purchase all, but not less than all, of such limited partner interests of such class then outstanding held by persons other than AGP and its affiliates, at the greater of (x) the current market price, calculated pursuant to the AHGP partnership agreement, as of the date three days prior to the date that a notice of election to purchase limited partner interests is mailed by AGP and (y) the highest price paid by AGP or any of its affiliates for any such limited partner interest of such class purchased during the 90-day period preceding the date that a notice of election to purchase limited partner interests is mailed by AGP.	If at any time not more than 20% of the total limited partner interests of any class then outstanding is held by persons other than MGP and its affiliates, MGP will then have the right, which right it may assign and transfer in whole or in part to ARLP or any affiliate of MGP, exercisable in its sole discretion, to purchase all, but not less than all, of such limited partner interests of such class then outstanding held by persons other than MGP and its affiliates, at the greater of (x) the current market price, calculated pursuant to the ARLP partnership agreement, as of the date three days prior to the date that a notice of election to purchase limited partner interests is mailed by MGP and (y) the highest price paid by MGP or any of its affiliates for any such limited partner interest of such class purchased during the 90-day period preceding the date that a notice of election to purchase limited partner interests is mailed by MGP.
Distributions of Available Cash	AHGP has historically made quarterly distributions to its unitholders of its available cash. Within 50 days after the end of each quarter, AHGP will distribute all of its available cash to its unitholders of record on the applicable record date.	ARLP has historically made quarterly distributions to its unitholders of its available cash. Within 45 days after the end of each quarter, ARLP will distribute all of its available cash to its unitholders of record on the applicable record date.

Table of Contents

AHGP

Available cash generally means, for any quarter ending prior to liquidation, all cash and cash equivalents on hand at the end of that quarter less the amount of any cash reserves established by AGP to:

provide for the proper conduct of the business of AHGP (including reserves for future capital expenditures and for anticipated future credit needs);

comply with applicable law or any loan agreement, debt instrument or other agreement or obligation to which any AHGP Group Member is a party or by which it is bound or its assets are subject;

permit MGP to make capital contributions to ARLP to maintain its then current general partner interest in ARLP upon the issuance of additional partnership securities by ARLP; or

provide funds for distributions to AHGP's unitholders in respect of any one or more of the next four quarters.

ARLP

Available cash generally means, for any quarter ending prior to liquidation, the sum of (i) all cash and cash equivalents of the ARLP Partnership Group on hand at the end of that quarter and (ii) all additional cash and cash equivalents of the ARLP Partnership Group on hand resulting from working capital borrowings made subsequent to the end of such quarter, less the amount of any cash reserves that are necessary or appropriate in the reasonable discretion of MGP to:

provide for the proper conduct of the business of the ARLP Partnership Group (including reserves for future capital expenditures and for anticipated future credit needs of the ARLP Partnership Group);

comply with applicable law or any loan agreement, debt instrument or other agreement or obligation to which any member of the ARLP Partnership Group is a party or by which any such member is bound or such member's assets are subject; or

provide funds for distributions to ARLP's unitholders in respect of any one or more of the next four quarters; *provided, however*, MGP may not establish cash reserves pursuant to this bullet if the effect of such reserves would be that ARLP is unable to distribute \$0.125 (subject to certain adjustments in accordance with the ARLP partnership agreement) on all ARLP common units.

Table of Contents

Management

AHGP

AGP has the authority to conduct, direct and manage all activities of AHGP. Except as otherwise expressly provided in the AHGP partnership agreement, all management powers over the business and affairs of AHGP shall be exclusively vested in AGP, and no limited partner shall have any management power over the business and affairs of AHGP. In addition to the powers granted a general partner of a limited partnership under applicable law or that are granted to AGP under any other provision of the AHGP partnership agreement, AGP, subject to certain limitations set forth in the AHGP partnership agreement, has the full power and authority to do all things and on such terms as it determines to be necessary or appropriate to conduct the business of AHGP.

ARLP

MGP has the authority to conduct, direct and manage all activities of ARLP. The management powers of MGP over the business and affairs of ARLP are substantially the same as the description of management powers of AGP over the business and affairs of AHGP.

Table of Contents**Change of Management Provisions****AHGP**

Generally, if any person or group (other than AGP, AGP's affiliates, Alliance Management Holdings, LLC, AMH II, LLC or Alliance Resource GP, LLC or their respective successors, assigns or their respective members) beneficially owns 20% or more of the partnership interests of any class, all of the partnership interests owned by such person or group shall not be voted on any matter and shall not be considered to be outstanding when sending notices of a meeting of limited partners to vote on any matter (unless otherwise required by law), calculating required votes, determining the presence of a quorum or for other similar purposes under the AHGP partnership agreement (except that AHGP common units so owned will not be considered to be outstanding for the purposes of providing notice of AGP's withdrawal as the general partner of AHGP). The foregoing limitation shall not apply (i) to any person or group who acquired 20% or more of any outstanding partnership securities of any class then outstanding directly from AGP or its affiliates, (ii) to any person or group who acquired 20% or more of any outstanding partnership securities of any class then outstanding directly or indirectly from a person or group described in clause (i) provided that AGP has notified such person or group in writing that such limitation shall not apply or (iii) to any person or group who acquired 20% or more of the partnership securities issued by AHGP with the prior approval of the AGP Board.

ARLP

Generally, if any person or group (other than MGP or its affiliates) beneficially owns 20% or more of the partnership interests of any class, all of the partnership interests owned by such person or group shall not be voted on any matter and shall not be considered to be outstanding when sending notices of a meeting of limited partners to vote on any matter (unless otherwise required by law), calculating required votes, determining the presence of a quorum or for other similar purposes under the ARLP partnership agreement. The foregoing limitation shall not apply (i) to any person or group who acquired 20% or more of any outstanding partnership securities of any class then outstanding directly from MGP or its affiliates or (ii) to any person or group who acquired 20% or more of any outstanding partnership securities of any class then outstanding directly or indirectly from a person or group described in clause (i) provided that MGP has notified such person or group in writing that such limitation shall not apply.

Table of Contents

	AHGP	ARLP
Reimbursement of the General Partner	<p>AGP does not receive any compensation for its services as AHGP's general partner. However, AGP will be entitled to be reimbursed on a monthly basis, or such other reasonable basis as AGP may determine, for (i) all direct and indirect expenses it incurs or payments it makes on behalf of the AHGP Partnership Group (including salary, bonus, incentive compensation and other amounts paid to any person including affiliates of AGP to perform services for AHGP or for the AHGP Partnership Group in the discharge of its duties to the AHGP Partnership Group) and (ii) all other expenses allocable to the AHGP Partnership Group or otherwise incurred by AGP in connection with operating the Partnership Group's business (including expenses allocated to AGP by its affiliates). AGP will determine the expense that are allocable to the AHGP Partnership Group. Reimbursements for expenses described above are in addition to any reimbursement to AGP as a result of indemnification pursuant to the AHGP partnership agreement.</p>	<p>MGP does not receive any compensation for its services as ARLP's general partner. However, MGP will be entitled to be reimbursed for those expenses that are substantially the same as the description of expenses for which AGP will be entitled to be reimbursed.</p>

Table of Contents**Conflicts of Interest****AHGP**

Whenever a potential conflict of interest exists or arises between AGP or any of its affiliates, on the one hand, and AHGP, any member of the AHGP Partnership Group, or any partner, on the other, any resolution or course of action by AGP or its affiliates in respect of such conflict of interest will be permitted and deemed approved by all partners, and shall not constitute a breach of the AHGP partnership agreement or of any agreement contemplated therein, or of any duty stated or implied by law or equity, if the resolution or course of action in respect of such conflict of interest is (i) approved by a majority of the members of the AHGP conflicts committee, (ii) approved by the vote of a majority of the outstanding AHGP common units (excluding AHGP common units owned by AGP and its affiliates), (iii) on terms no less favorable to AHGP than those generally being provided to or available from unrelated third parties or (iv) fair and reasonable to AHGP, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to AHGP). AGP is authorized but not required in connection with its resolution of such conflict of interest to seek approval by a majority of the members of the AHGP conflicts committee of such resolution, and AGP may also adopt a resolution or course of action that has not received such approval. If approval by a majority of the members of the AHGP conflicts committee is not sought and the AGP Board determines that the resolution or course of action taken with respect

ARLP

Whenever a potential conflict of interest exists or arises between MGP or any of its affiliates, on the one hand, and ARLP, AROP, Alliance Coal, any partner or any assignee, on the other, any resolution or course of action by MGP or its affiliates in respect of such conflict of interest shall be permitted and deemed approved by all partners, and shall not constitute a breach of the ARLP partnership agreement, of the AROP partnership agreement, of the Alliance Coal limited liability company agreement, of any agreement contemplated in the foregoing agreements, or of any duty stated or implied by law or equity, if the resolution or course of action is, or by operation of the ARLP partnership agreement is deemed to be, fair and reasonable to ARLP. MGP shall be authorized, but not required, in connection with its resolution of such conflict of interest to seek the approval of a majority of the members of a conflicts committee of such resolution. Any conflict of interest and any resolution of such conflict of interest shall be conclusively deemed fair and reasonable to ARLP if such conflict of interest or resolution is (i) approved by majority of the members of the conflicts committee (as long as the material facts known to MGP or any of its affiliates regarding any proposed transaction were disclosed to the conflicts committee at the time it gave its approval); (ii) on terms no less favorable to ARLP than those generally being provided to or available from unrelated third parties; or (iii) fair to ARLP, taking into account the totality of the relationships between the

Table of Contents

AHGP

to a conflict of interest satisfies either of the standards set forth in clauses (iii) or (iv) above, then it will be presumed that, in making its decision, the AGP Board acted in good faith, and in any proceeding brought by any limited partner or by or on behalf of such limited partner or any other limited partner or AHGP challenging such approval, the person bringing or prosecuting such proceeding will have the burden of overcoming such presumption.

ARLP

parties involved (including other transactions that may be particularly favorable or advantageous to ARLP). MGP may also adopt a resolution or course of action that has not received approval of a majority of the members of the conflicts committee. MGP is authorized in connection with its determination of what is "fair and reasonable" to ARLP and in connection with its resolution of any conflict of interest to consider (A) the relative interests of any party to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interest; (B) any customary or accepted industry practices and any customary or historical dealings with a particular person; (C) any applicable generally accepted accounting practices or principles; and (D) such additional factors as MGP determines in its sole discretion to be relevant, reasonable or appropriate under the circumstances.

Withdrawal of the General Partner

AGP shall be deemed to have withdrawn from AHGP upon the occurrence of any one of the following events: (i) AGP voluntarily withdraws from AHGP by giving written notice to the other partners; (ii) AGP transfers all of its rights as general partner of AHGP; (iii) AGP is removed pursuant to the AHGP partnership agreement; (iv) AGP (a) makes a general assignment for the benefit of creditors; (b) files a voluntary bankruptcy petition for relief under Chapter 7 of the United States Bankruptcy Code; (c) files a petition or answer seeking for itself

MGP shall be deemed to have withdrawn from ARLP upon the occurrence of events that are substantially the same as the description of the occurrence of events upon which AGP shall be deemed to have withdrawn from AHGP.

Table of Contents

	AHGP	ARLP
Removal of the General Partner	<p>a liquidation, dissolution or similar relief (but not a reorganization) under any law; (d) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against AGP in a proceeding of the type described in clauses (a)-(c); or (e) seeks, consents to or acquiesces in the appointment of a trustee (but not a debtor-in-possession), receiver or liquidator of AGP or of all or any substantial part of its properties; (v) a final and non-appealable order of relief under Chapter 7 of the United States Bankruptcy Code is entered by a court with appropriate jurisdiction pursuant to a voluntary or involuntary petition by or against AGP; or (vi) (a) the dissolution and commencement of winding up of AGP; and (b) otherwise in the event of the termination of AGP.</p> <p>AGP may be removed as general partner of AHGP if such removal is approved by the AHGP unitholders holding at least 66²/₃% of the outstanding AHGP common units (including AHGP common units held by AGP and its affiliates). Any such action by such holders for removal of AGP must also provide for the election of a successor general partner by the AHGP unitholders holding a majority of the outstanding AHGP common units (including AHGP common units held by AGP and its affiliates). Such removal shall be effective immediately following the</p>	<p>The provisions governing the removal of MGP as the general partner of ARLP under the ARLP partnership agreement are substantially the same as the description of the provisions governing the removal of AGP as general partner of AHGP under the AHGP partnership agreement.</p>

Table of Contents

AHGP

ARLP

admission of a successor general partner pursuant to the applicable terms of the AHGP partnership agreement. The removal of AGP as general partner shall also automatically constitute the removal of AGP as general partner or managing member, to the extent applicable, of the other AHGP Group Members of which AGP is a general partner or a managing member. The right of AHGP unitholders to remove AGP as general partner shall not exist or be exercised unless AHGP has received an opinion of counsel that the removal of AGP would not result in the loss of the limited liability of any limited partner or any AHGP Group Member or cause any AHGP Group Member to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes (to the extent not previously treated or taxed as such).

Termination and Dissolution of the Partnership

AHGP will not be dissolved by the admission of additional limited partners or by the admission of a successor general partner in accordance with the terms of the AHGP partnership agreement. Upon the removal or withdrawal of the general partner, if a successor general partner is elected, AHGP will not be dissolved and such successor general partner will continue the business of AHGP.

ARLP will dissolve, and its affairs will be wound up, upon events that are substantially the same as the description of events upon which AHGP will dissolve, and its affairs will be wound up.

AHGP will dissolve, and its affairs will be wound up, upon:

the withdrawal or removal of AHGP's general partner or any other event that results in its

Table of Contents

AHGP

ARLP

ceasing to be AHGP's general partner, other than by reason of a transfer of its general partner interest in accordance with the AHGP partnership agreement or withdrawal or removal following approval and admission of a successor;

an election by AHGP's general partner to dissolve AHGP, if approved by the holders of a majority of the outstanding AHGP common units;

the entry of a decree of judicial dissolution of AHGP pursuant to the DRULPA; or

Distribution of Cash Upon Liquidation

at any time there are no limited partners of AHGP, unless AHGP is continued without dissolution in accordance with the DRULPA. All property and all cash in excess of that required to discharge liabilities owed by AHGP upon its liquidation shall be distributed to the AHGP unitholders in accordance with, and to the extent of, the positive balances in their respective capital accounts, as determined after taking into account all capital account adjustments (other than those made by reason of liquidation distributions) for the taxable year of AHGP during which the liquidation of AHGP occurs (with such date of occurrence being determined pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(g)), and such distribution shall be made by the end of such taxable year (or, if later, within 90 days after said date of such occurrence).

The rights of a holder of ARLP common units with respect to the distribution of cash upon liquidation of ARLP are substantially the same as the rights of a holder of AHGP common units with respect to the distribution of cash upon liquidation of AHGP.

Table of Contents

	AHGP	ARLP
Amendment of Partnership Agreement	AHGP's general partner may generally make amendments to the AHGP partnership agreement without the approval of any limited partner to reflect: a change in the name of AHGP, the location of the principal place of business of AHGP, the registered agent of AHGP or the registered office of AHGP; admission, substitution, withdrawal or removal of partners in accordance with the AHGP partnership agreement; a change that AHGP's general partner determines to be necessary or appropriate to qualify or continue the qualification of AHGP as a limited partnership or to ensure that AHGP and its subsidiaries will not be treated as associations taxable as corporations or otherwise taxed as entities for federal income tax purposes; a change that AHGP's general partner determines (i) does not adversely affect the limited partners (including any particular class of partnership interests as compared to other classes of partnership interests) in any material respect, (ii) to be necessary or appropriate to (a) satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any federal or state agency or judicial authority or	The provisions governing the amendment of the ARLP partnership agreement by ARLP's general partner are substantially the same as the description of the provisions governing the amendment of the AHGP partnership agreement by AHGP's general partner.

Table of Contents

AHGP

ARLP

contained in any federal or state statute (including the DRULPA) or (b) facilitate the trading of the limited partner interests or comply with any rule, regulation, guideline or requirement of any national securities exchange on which the limited partner interests are or will be listed, (iii) to be necessary or appropriate in connection with action taken by AHGP's general partner to effect any subdivision or combination of partnership securities pursuant to the AHGP partnership agreement or (iv) to be required to effect the intent of the provisions of the AHGP partnership agreement or is otherwise contemplated by the AHGP partnership agreement;

a change in the fiscal year or taxable year of AHGP and any changes that, in the discretion of AHGP's general partner, are necessary or advisable as a result of a change in the fiscal year or taxable year of AHGP including, if AHGP's general partner shall so determine, a change in the definition of "Quarter" and the dates on which distributions are to be made by AHGP;

an amendment that is necessary, in the opinion of counsel, to prevent AHGP, or AHGP's general partner or its directors, officers, trustees or agents, from being subjected to the Investment Company Act of 1940, as amended, the Investment Advisers Act of 1940, as amended, or "plan asset" regulations adopted under the Employee Retirement Income Security Act of 1974, as amended;

Table of Contents

AHGP

ARLP

an amendment that, in the discretion of AHGP's general partner, is necessary or advisable in connection with the authorization of issuance of any class or series of partnership securities pursuant to the AHGP partnership agreement;

an amendment expressly permitted by the AHGP partnership agreement to be made by AHGP's general partner acting alone;

an amendment effected, necessitated or contemplated by a merger agreement approved in accordance with the AHGP partnership agreement;

an amendment that, in the discretion of AHGP's general partner, is necessary or advisable to reflect and account for the formation by AHGP of, or investment by AHGP in, any corporation, partnership, joint venture, limited liability company or other entity, in connection with the conduct by AHGP of activities permitted by the terms of the AHGP partnership agreement;

an amendment effected, necessitated or contemplated by an amendment to the ARLP partnership agreement that requires ARLP common unitholders to provide a statement, certificate or other proof of evidence to ARLP regarding whether such unitholder is subject to United States federal income tax on the income generated by ARLP;

Table of Contents

AHGP

ARLP

certain conversion, merger or conveyance if (i) AHGP's general partner has received an opinion of counsel that the merger or conveyance, as the case may be, would not result in the loss of the limited liability under the DRULPA of any limited partner or cause AHGP to be treated as association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes; (ii) the sole purpose of such conversion, merger or conveyance is to effect a mere change in the legal form of AHGP into another limited liability entity; and (iii) the governing instruments of the new entity provide the limited partners and AHGP's general partner with the same rights and obligations under the AHGP partnership agreement.; or

any other amendments substantially similar to the foregoing.
Except as otherwise provided in the AHGP partnership agreement, amendments to the AHGP partnership agreement may be proposed only by AHGP's general partner; provided, however, that AHGP's general partner will have no duty or obligation to propose any amendment to the AHGP partnership agreement and may decline to do so free of any fiduciary duty or obligation whatsoever to AHGP or any limited partner and, in declining to propose an amendment to the fullest extent permitted by law, will

Table of Contents

AHGP

not be required to act in good faith or pursuant to any other standard imposed by the AHGP partnership agreement, any other agreement contemplated hereby or under the DRULPA or any other law, rule or regulation or at equity. A proposed amendment will be effective upon its approval by AHGP and the holders of a majority of outstanding AHGP common units, unless a greater or different percentage is required under the AHGP partnership agreement or by Delaware law. Each proposed amendment that requires the approval of the holders of a specified percentage of outstanding AHGP common units must be set forth in a writing that contains the text of the proposed amendment. If such an amendment is proposed, AHGP's general partner must seek the written approval of the requisite percentage of outstanding AHGP common units or call a meeting of the AHGP unitholders to consider and vote on such proposed amendment. AHGP's general partner must notify all of its record holders upon final adoption of any such proposed amendments. Except as otherwise provided in the AHGP partnership agreement, no provision of the AHGP partnership agreement that establishes a percentage of outstanding AHGP common units (including common units deemed owned by AHGP's general partner or its affiliates) required to take any action may be amended, altered, changed, repealed or

ARLP

Table of Contents

AHGP

ARLP

rescinded in any respect that would have the effect of reducing such voting percentage unless such amendment is approved by the written consent or the affirmative vote of holders of outstanding AHGP common units whose aggregate AHGP common units constitute not less than the voting requirement sought to be reduced.

Except as otherwise provided in the AHGP partnership agreement, no amendment to the AHGP partnership agreement may (i) enlarge the obligations of any limited partner without its consent, unless such is deemed to have occurred as a result of an amendment approved by the holders of not less than a majority of the outstanding partnership interests of the class affected; (ii) enlarge the obligations of, restrict in any way any action by or rights of, or reduce in any way the amounts distributable, reimbursable or otherwise payable to, AHGP's general partner or any of its affiliates without the consent of AHGP's general partner, which consent may be given or withheld at its option.

Except for certain amendments in connection with the merger or consolidation of AHGP and except for those amendments that may be effected by AHGP's general partner without the consent of limited partners as described above, any amendment that would have a material adverse effect on the rights or preferences of any class of partnership interests in relation to other classes of partnership interests must be approved by the holders of not less than a majority of the outstanding partnership interests of the class affected.

Table of Contents

	AHGP	ARLP
Voting	<p>Except as for those amendments that may be effected by AHGP's general partner without the consent of limited partners as described above, no amendments will become effective without the approval of the holders of at least 90% of the outstanding units voting as a single class unless AHGP obtains an opinion of counsel to the effect that such amendment will not affect the limited liability of any limited partner under applicable law.</p> <p>Except as for those amendments that may be effected by AGP without the consent of limited partners as described above, the provisions described in this and the last four paragraphs above may only be amended with the approval of the holders of at least 90% of the outstanding AHGP common units.</p> <p>Only those record holders of the limited partner interests on the record date set pursuant to the terms of the AHGP partnership agreement (and also subject to the limitations contained in the definition of "outstanding," as defined within the AHGP partnership agreement) shall be entitled to notice of, and to vote at, a meeting of limited partners or to act with respect to matters as to which the holders of the outstanding limited partner interests have the right to vote or to act. All references in the AHGP partnership agreement to votes of, or other acts that may be taken by, the outstanding limited partner interests shall be deemed to be references to the votes or acts of the record holders of such outstanding limited partner interests.</p>	<p>The voting rights of a holder of ARLP common units are substantially the same as the voting rights of a holder of AHGP common units.</p>

Table of Contents

	AHGP	ARLP
Merger/Consolidation	<p>Merger, consolidation or conversion of AHGP requires the consent of AGP. If AGP consents to a merger or consolidation, AGP must also approve the merger agreement, which must include certain information as set forth in the AHGP partnership agreement. Subject to certain exceptions set forth in the AHGP partnership agreement, once approved by AGP, the merger agreement must be submitted to a vote of the limited partners, and the merger agreement will be approved upon receipt of the affirmative vote or consent of a majority of the outstanding AHGP common units.</p> <p>Without limited partner approval, AGP may consummate any conversion, merger or conveyance of AHGP's assets to another limited liability entity that is newly formed and has no assets, liabilities or operations at the time of such merger, other than those it receives from AHGP, if: (i) AGP has received an opinion of counsel that the merger or conveyance, as the case may be, would not result in the loss of the limited liability under the DRULPA of any limited partner or cause AHGP to be treated as association taxable as a corporation or otherwise to be taxed as an entity for federal income tax purposes; (ii) the sole purpose of such conversion, merger or conveyance is to effect a mere change in the legal form of AHGP into another limited liability entity; and (iii) the governing instruments of the new entity provide the limited partners and AGP with the same rights and obligations under the AHGP partnership agreement.</p>	<p>The provisions governing a merger, consolidation or conversion of ARLP under the ARLP partnership agreement are substantially the same as the provisions governing a merger, consolidation or conversion of AHGP under the AHGP partnership agreement.</p>
Taxation of Entity	<p>AHGP is a flow-through entity that is not subject to an entity-level federal income tax.</p>	<p>The taxation of ARLP is substantially the same as the taxation of AHGP.</p>

Table of Contents

	AHGP	ARLP
Taxation of the Unitholders	AHGP's unitholders receive Schedule K-1s from AHGP reflecting the unitholders' respective shares of AHGP's items of income, gain, loss and deduction at the end of each fiscal year.	The rights of a holder of ARLP common units with regard to the taxation of such holder are substantially the same as the rights of a holder of AHGP common units with regard to such holder.

Table of Contents

ARLP'S CASH DISTRIBUTION POLICY

Distributions of Available Cash

General. Under the ARLP partnership agreement, ARLP distributes to its unitholders, on a quarterly basis, all of its available cash in the manner described below.

Definition of Available Cash. Available cash generally means, for any quarter prior to liquidation, all cash on hand at the end of that quarter, less the amount of cash reserves that are necessary or appropriate in the reasonable discretion of MGP to:

provide for the proper conduct of the business of the ARLP Partnership Group (including reserves for future capital expenditures and for anticipated future credit needs of the ARLP Partnership Group subsequent to that quarter);

comply with applicable law or any partnership debt instrument or other agreement of the ARLP Partnership Group; or

provide funds for distributions to unitholders in respect of any one or more of the next four quarters.

General Partner Interest

In the case of ARLP, as of the date of the simplification agreement, MGP owned a non-economic (0.0%) general partner interest in ARLP, and MGP will continue to own such non-economic (0.0%) general partner interest in ARLP after consummation of the simplification transactions.

Effect of Issuance of Additional Units

ARLP can issue additional common units or other equity securities for consideration and under terms and conditions approved by MGP in its sole discretion, and without the approval of any of its unitholders. ARLP may fund acquisitions through the issuance of additional common units or other equity securities.

Holders of any additional ARLP common units that ARLP issues will be entitled to share equally with ARLP's then-existing unitholders in distributions of available cash. In addition, the issuance of additional ARLP common units may dilute the value of the interests of the then-existing ARLP unitholders.

Quarterly Distributions of Available Cash

ARLP will make quarterly pro rata distributions to its limited partners prior to its liquidation in an amount equal to 100% of its available cash for that quarter. ARLP expects to make distributions of all available cash within approximately 45 days after the end of each quarter to holders of record on the applicable record date.

Distribution of Cash Upon Liquidation

If ARLP dissolves in accordance with its partnership agreement, it will sell its assets or otherwise dispose of its assets, discharge its liabilities and otherwise wind up its affairs in a process called a liquidation and as the liquidator determines to be in the best interest of the ARLP partners. ARLP will adjust the partners' capital account balances to show any resulting gain or loss from the sale or other disposition of assets in liquidation. ARLP will first apply the proceeds of liquidation to the payment of its creditors in the order of priority provided by law and, thereafter, distribute to the partners in accordance with, and to the extent of, the positive balances in their respective capital accounts.

Table of Contents

DESCRIPTION OF ARLP COMMON UNITS

General

ARLP common units represent limited partner interests in ARLP. The holders of ARLP common units are entitled to participate in partnership distributions and exercise the rights or privileges available to limited partners under the ARLP partnership agreement.

Timing of Distributions

ARLP distributes 100% of its available cash within 45 days after the end of each quarter to ARLP unitholders of record and to ARLP's general partner. Available cash generally means, for any quarter prior to liquidation, all cash on hand at the end of that quarter, less the amount of cash reserves that are necessary or appropriate in the reasonable discretion of ARLP's general partner to: (i) provide for the proper conduct of the business of ARLP; (ii) comply with applicable law or any partnership debt instrument or other agreement of ARLP; or (iii) provide funds for distributions to unitholders and ARLP's general partner in respect of any one or more of the next four quarters. For additional information, please read "ARLP's Cash Distribution Policy."

Issuance of Additional Units

In general, ARLP may issue additional partnership securities for any partnership purpose at any time and from time to time to such persons for such consideration and on such terms and conditions as shall be established by its general partner in its sole discretion, all without the approval of any limited partners.

Voting Rights

Unlike the holders of common stock in a corporation, ARLP's limited partners have only limited voting rights on matters affecting its business. ARLP's limited partners have no right to elect its general partner or its directors on an annual or other continuing basis. MGP may not be removed as general partner except by the vote of the holders of at least $66\frac{2}{3}\%$ of the outstanding ARLP common units, including ARLP common units owned by its general partner and its affiliates. Each ARLP unitholder is entitled to one vote for each ARLP common unit on all matters submitted to a vote of the unitholders.

Limited Call Right

If at any time not more than 20% of the outstanding ARLP common units are held by persons other than ARLP's general partner and its affiliates, ARLP's general partner has the right, but not the obligation, to purchase all, but not less than all, of the remaining ARLP common units at a price not less than the then current market price of the ARLP common units.

Exchange Listing

The ARLP common units are listed on the NASDAQ under the symbol "ARLP."

Transfer Agent and Registrar Duties

American Stock Transfer & Trust Company serves as registrar and transfer agent for ARLP common units. ARLP pays all fees charged by the transfer agent for transfers of ARLP common units, except the following that must be paid by unitholders:

surety bond premiums to replace lost or stolen certificates, taxes and other governmental charges;

special charges for services requested by a holder of an ARLP common unit; and

Table of Contents

other similar fees or charges.

There is no charge to unitholders for disbursements of ARLP's cash distributions. ARLP will indemnify the transfer agent, its agents and each of their stockholders, directors, officers and employees against all claims and losses that may arise out of acts performed or omitted for its activities as transfer agent, except for any liability due to any gross negligence or intentional misconduct of the indemnified person or entity.

Transfer of ARLP Common Units

Any transfers of an ARLP common unit will not be recorded by the transfer agent or recognized by ARLP unless the transferee executes and delivers a transfer application. By executing and delivering a transfer application, the transferee of ARLP common units:

becomes the record holder of the ARLP common units and is an assignee until admitted into ARLP as a substituted limited partner;

automatically requests admission as a substituted limited partner in ARLP;

agrees to comply with and be bound by and to have executed the ARLP partnership agreement;

represents and warrants that such transferee has the right, power and authority and, if an individual, the capacity to enter into the ARLP partnership agreement;

grants the powers of attorney set forth in the ARLP partnership agreement; and

gives the consents and approvals and makes the waivers contained in the ARLP partnership agreement.

An assignee will become a substituted limited partner of ARLP for the transferred ARLP common units upon the consent of ARLP's general partner and the recording of the name of the assignee on ARLP's books and records. ARLP's general partner may withhold its consent in its discretion.

A transferee's broker, agent or nominee may complete, execute and deliver a transfer application. ARLP is entitled to treat the nominee holder of an ARLP common unit as the absolute owner. In that case, the beneficial holder's rights are limited solely to those that it has against the nominee holder as a result of any agreement between the beneficial owner and the nominee holder.

ARLP common units are securities and are transferable according to the laws governing transfer of securities. In addition to other rights acquired upon admission as a substituted limited partner in ARLP for the transferred ARLP common units, a purchaser or transferee of ARLP common units who does not execute and deliver a transfer application obtains only:

the right to assign the ARLP common unit to a purchaser or other transferee; and

the right to transfer the right to seek admission as a substituted limited partner in ARLP for the transferred ARLP common units.

Thus, a purchaser or transferee of ARLP common units who does not execute and deliver a transfer application:

will not receive cash distributions or federal income tax allocations, unless the ARLP common units are held in a nominee or "street name" account and the nominee or broker has executed and delivered a transfer application; and

may not receive some federal income tax information or reports furnished to record holders of ARLP common units.

Table of Contents

The transferor of ARLP common units has a duty to provide the transferee with all information that may be necessary to transfer the ARLP common units. The transferor does not have a duty to insure the execution of the transfer application by the transferee and has no liability or responsibility if the transferee neglects or chooses not to execute and forward the transfer application to the transfer agent.

Until an ARLP common unit has been transferred on ARLP's books, ARLP and the transfer agent may treat the record holder of the ARLP common unit as the absolute owner for all purposes, except as otherwise required by law or stock exchange regulations.

Table of Contents

AHGP UNITHOLDER PROPOSALS

Under applicable Delaware law and the AHGP partnership agreement, AHGP is not required to hold an annual meeting of its unitholders. Under the AHGP partnership agreement, special meetings of the limited partners may be called by the general partner or by limited partners owning 20% or more of the outstanding limited partner interests of the class or classes for which a meeting is proposed. Such limited partners may call a special meeting by delivering to AGP (or any successor or permitted assign admitted to AHGP as general partner) one or more requests in writing stating that the signing limited partners wish to call a special meeting and indicating the general or specific purposes for which the special meeting is to be called. However, limited partners are not allowed to vote on matters that would cause the limited partners to be deemed to be taking part in the management and control of the business and affairs of AHGP so as to jeopardize the limited partners' limited liability under Delaware law or the law of any other state in which AHGP is qualified to do business.

Table of Contents

LEGAL MATTERS

The validity of the ARLP common units to be received as a result of the merger pursuant to the simplification agreement will be passed upon for ARLP by Vinson & Elkins L.L.P., Houston, Texas.

EXPERTS

Alliance Resource Partners, L.P.

The consolidated financial statements of ARLP appearing in ARLP's Annual Report (Form 10-K) for the year ended December 31, 2017 (including schedules appearing therein), and the effectiveness of ARLP's internal control over financial reporting as of December 31, 2017 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

Alliance Holdings GP, L.P.

The consolidated financial statements of AHGP appearing in AHGP's Annual Report (Form 10-K) for the year ended December 31, 2017 (including schedules appearing therein), and the effectiveness of AHGP's internal control over financial reporting as of December 31, 2017 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

ARLP has filed with the SEC a registration statement under the Securities Act that registers the ARLP common units to be received by the AHGP unitholders as a result of the merger. The registration statement, including the attached exhibits and schedules, contains additional relevant information about ARLP and the AHGP common units. The rules and regulations of the SEC allow ARLP and AHGP to omit certain information included in the registration statement from this consent statement/prospectus.

ARLP and AHGP also file reports and other information with the SEC under the Exchange Act. You may read and copy this information at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the SEC's Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains an internet site that contains reports, proxy statements and other information about issuers, including ARLP and AHGP, who file electronically with the SEC. The address of that site is <http://www.sec.gov>.

You can also inspect reports and other information about ARLP and AHGP at the offices of NASDAQ, One Liberty Plaza, 165 Broadway, New York, New York 10006.

The SEC allows ARLP and AHGP to incorporate by reference certain information into this consent statement/prospectus. This means that ARLP and AHGP can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this consent statement/prospectus, except for any information that is superseded by information that is included directly in this consent statement/prospectus or in other later-filed documents that are incorporated by reference. The information incorporated by reference contains important information about ARLP and AHGP and their respective financial conditions.

This consent statement/prospectus incorporates by reference the documents listed below that ARLP and AHGP have previously filed with the SEC, excluding any information in a Form 8-K "furnished" pursuant to Items 2.02 and 7.01 (unless otherwise indicated), which is not deemed "filed" under the Exchange Act.

ARLP Filings with the SEC (Commission File No. 001-26823)

Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed on February 23, 2018;

Current Report on Form 8-K filed on February 23, 2018; and

The description of the ARLP common units contained in ARLP's registration statement on Form 8-A (File No. 000-26823) filed with the SEC on July 26, 1999 and any subsequent amendments or reports filed for the purpose of updating such description.

AHGP Filings with the SEC (Commission File No. 001-51952)

Annual Report on Form 10-K for the fiscal year ended December 31, 2017, filed on February 23, 2018; and

Current Report on Form 8-K filed on February 23, 2018.

In addition, ARLP and AHGP are incorporating by reference (i) any documents they may file under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the date of the initial registration statement on Form S-4 filed by ARLP on March 29, 2018, and prior to the effectiveness of the registration statement of which this consent statement/prospectus forms a part and (ii) any documents they may file under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act on or after the

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Table of Contents

date of this consent statement/prospectus and prior to the date on which the simplification transactions are consummated, provided, however, that ARLP and AHGP are not incorporating by reference any information furnished (but not filed), except as otherwise specified herein.

You may request copies of this consent statement/prospectus and any of the documents incorporated by reference herein or certain other information concerning ARLP and AHGP without charge by requesting them in writing or by telephone from ARLP or AHGP at the following addresses and telephone numbers:

Alliance Resource Partners, L.P.
1717 South Boulder Avenue
Suite 400
Tulsa, Oklahoma 74119
(918) 295-7600
Attention: Investor Relations

Alliance Holdings GP, L.P.
1717 South Boulder Avenue
Suite 400
Tulsa, Oklahoma 74119
(918) 295-1415
Attention: Investor Relations

You may obtain certain of these documents at ARLP's website, www.arlp.com, by selecting "Filings & Financials" under "Investor Relations" and then selecting "SEC Filings," and at AHGP's website, www.ahgp.com, by selecting "Filings & Financials" under "Investor Information" and then selecting "SEC Filings." Information contained on ARLP's and AHGP's websites is expressly not incorporated by reference into this consent statement/prospectus.

Table of Contents

**ARLP AND SUBSIDIARIES
INDEX TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

<u>Introduction</u>	<u>F-2</u>
<u>Unaudited Pro Forma Condensed Consolidated Balance Sheet at December 31, 2017</u>	<u>F-3</u>
<u>Unaudited Pro Forma Condensed Consolidated Income Statement for the Twelve Months Ended December 31, 2017</u>	<u>F-5</u>
<u>Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements</u>	<u>F-6</u>

F-1

Table of Contents

ARLP AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As part of a plan to simplify their capital structures, Alliance Holdings GP, L.P., a Delaware limited partnership ("AHGP"), and Alliance Resource Partners, L.P., a Delaware limited partnership ("ARLP"), entered into a Simplification Agreement, dated as of February 22, 2018 (the "simplification agreement"), by and among AHGP, Alliance GP, LLC ("AGP"), a Delaware limited liability company and the current general partner of AHGP, certain subsidiaries of AHGP and AGP, ARLP, Alliance Resource Management GP, LLC ("MGP"), a Delaware limited liability company and the general partner of ARLP, and Alliance Resource GP, LLC ("SGP"), a Delaware limited liability company, pursuant to which, among other things, through a series of transactions (the "simplification transactions"), (i) AHGP will become a wholly owned subsidiary of ARLP and (ii) all of the outstanding common units representing limited partner interests in AHGP (the "AHGP common units") will be canceled and converted into the right to receive all of the ARLP common units currently held by AHGP and its subsidiaries. The simplification transactions are structured such that each AHGP unitholder will hold directly after the simplification transactions the same economic share of ARLP and its subsidiaries that it held indirectly through AHGP before the simplification transactions.

The simplification transactions also contemplate that New AHGP GP, LLC, a wholly owned subsidiary of AGP, will become a wholly owned subsidiary of ARLP and the new general partner of AHGP after the simplification transactions. MGP, the general partner of ARLP, will become a wholly owned subsidiary of AGP, the general partner of AHGP prior to the simplification transactions, and continue to be the general partner of ARLP. As a result, there will be no change of control over the operation of ARLP's business.

Pursuant to the simplification agreement, ARLP will issue to SGP an estimated 1,320,377 ARLP common units calculated pursuant to the simplification agreement on an economically equivalent basis in exchange for a 1.0001% general partner interest in Alliance Resource Operating Partners, L.P., a Delaware limited partnership ("AROP"), and a 0.001% managing membership interest in Alliance Coal, LLC, a Delaware limited liability company ("Alliance Coal").

Before AHGP and ARLP can complete the simplification transactions, a number of conditions must be satisfied, or where permissible waived, by AHGP or ARLP, as appropriate. These conditions include, among others, that (i) the simplification agreement and the transactions contemplated thereby, including the merger, have been approved and adopted by the affirmative consent of holders of at least a majority of the outstanding AHGP common units; (ii) there is no legal restraint or prohibition enjoining or otherwise prohibiting or imposing any material restrictions on the consummation of the simplification transactions; (iii) the registration statement of which this consent statement/prospectus forms a part has become effective under the Securities Act; and (iv) the New ARLP Common Units to be issued to SGP pursuant to the simplification transactions have been approved for listing on the NASDAQ.

The unaudited pro forma condensed consolidated balance sheet and the unaudited pro forma condensed consolidated statement of income as of and for the twelve months ended December 31, 2017, gives effect to the simplification transactions as if they had occurred on January 1, 2017. The historical consolidated financial information has been adjusted to give effect to pro forma events that are directly attributable to the simplification transactions and are factually supportable.

The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the historical audited financial information and accompanying notes of ARLP and AHGP, which have been incorporated by reference into this consent statement/prospectus. The unaudited pro forma condensed consolidated financial statements are based on assumptions that ARLP and AHGP believe are reasonable under the circumstances and are intended for informational purposes only. The unaudited pro forma condensed consolidated financial statements are not necessarily indicative of the operating results or financial position that would have occurred if the simplification transactions had been completed at the date indicated.

Table of Contents**ARLP AND SUBSIDIARIES****UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET****DECEMBER 31, 2017****(In thousands)**

	Alliance Resource Partners, L.P. Historical	Pro Forma Adjustments Before Simplification Savings(a)	Simplification Savings(b)	Alliance Resource Partners, L.P. Pro Forma
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 6,756	\$ 1,887(c)	\$ 643(f)	\$ 9,286
Trade receivables	181,671			181,671
Other receivables	146			146
Due from affiliates	165	(140)(d)		25
Inventories, net	60,275			60,275
Advance royalties, net	4,510			4,510
Prepaid expenses and other assets	28,117	75(c)		28,192
Total current assets	281,640	1,822	643	284,105
PROPERTY, PLANT AND EQUIPMENT:				
Property, plant and equipment, at cost	2,934,188			2,934,188
Less accumulated depreciation, depletion and amortization	(1,457,532)			(1,457,532)
Total property, plant and equipment, net	1,476,656			1,476,656
OTHER ASSETS:				
Advance royalties, net	39,660			39,660
Equity investments	147,964			147,964
Cost investments	106,398			106,398
Goodwill	136,399			136,399
Other long-term assets	30,654			30,654
Total other assets	461,075			461,075
TOTAL ASSETS	\$ 2,219,371	\$ 1,822	\$ 643	\$ 2,221,836
LIABILITIES AND PARTNERS' CAPITAL				
CURRENT LIABILITIES:				
Accounts payable	\$ 96,958	\$ 413(c)	\$	\$ 97,371
Due to affiliates	771			771
Accrued taxes other than income taxes	20,336	30(c)		20,366
Accrued payroll and related expenses	35,751	50(c)		35,801
Accrued interest	5,005			5,005
Workers' compensation and pneumoconiosis benefits	10,729			10,729
Current capital lease obligations	28,613			28,613
Other current liabilities	19,071			19,071
Current maturities, long-term debt, net	72,400			72,400
Total current liabilities	289,634	493		290,127

(See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements)

F-3

Table of Contents

ARLP AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

DECEMBER 31, 2017

(In thousands)

	Alliance Resource Partners, L.P. Historical	Pro Forma Adjustments Before Simplification Savings(a) Simplification Savings(b)		Alliance Resource Partners, L.P. Pro Forma
LONG-TERM LIABILITIES:				
Long-term debt, excluding current maturities, net	415,937			415,937
Pneumoconiosis benefits	71,875			71,875
Accrued pension benefit	45,317			45,317
Workers' compensation	46,694			46,694
Asset retirement obligations	126,750			126,750
Long-term capital lease obligations	57,091			57,091
Other liabilities	14,587			14,587
Total long-term liabilities	778,251			778,251
Total liabilities	1,067,885	493		1,068,378
PARTNERS' CAPITAL:				
Alliance Resource Partners, L.P. ("ARLP") Partners' Capital:				
Limited Partners' Common Unitholders	1,183,219	16,188(e)	643(f)	1,200,050
General Partners' interest	14,859	(14,859)(e)		
Accumulated other comprehensive loss	(51,940)			(51,940)
Total ARLP Partners' Capital	1,146,138	1,329	643	1,148,110
Noncontrolling interest	5,348			5,348
Total Partners' Capital	1,151,486	1,329	643	1,153,458
TOTAL LIABILITIES AND PARTNERS' CAPITAL	\$ 2,219,371	\$ 1,822	\$ 643	\$ 2,221,836

(See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements)

Table of Contents

ARLP AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT

For the Twelve Months Ended December 31, 2017

(In thousands, except unit and per unit data)

	Alliance Resource Partners, L.P. Historical	Pro Forma Adjustments Before Simplification Savings (a)		Simplification Savings (b)	Alliance Resource Partners, L.P. Pro Forma
SALES AND OPERATING REVENUES:					
Coal sales	\$ 1,711,114	\$		\$	\$ 1,711,114
Transportation revenues	41,700				41,700
Other sales and operating revenues	43,406		(379)(g)		43,027
Total revenues	1,796,220		(379)		1,795,841
EXPENSES:					
Operating expenses (excluding depreciation, depletion and amortization)	1,095,167				1,095,167
Transportation expenses	41,700				41,700
General and administrative	61,760		1,571(h)	(643)(f)	62,688
Depreciation, depletion and amortization	268,981				268,981
Total operating expenses	1,467,608		1,571	(643)	1,468,536
INCOME (LOSS) FROM OPERATIONS	328,612		(1,950)	643	327,305
Interest expense (net of interest capitalized of \$551)	(39,385)				(39,385)
Interest income	94		8(i)		102
Equity investment income	13,860				13,860
Cost investment income	6,398				6,398
Debt extinguishment loss	(8,148)				(8,148)
Other income	2,980				2,980
INCOME (LOSS) BEFORE INCOME TAXES	304,411		(1,942)	643	303,112
INCOME TAX EXPENSE	210		1(i)		211
NET INCOME (LOSS)	304,201		(1,943)	643	302,901
LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST	(563)				(563)
NET INCOME ATTRIBUTABLE TO ALLIANCE RESOURCE PARTNERS, L.P. ("NET INCOME OF ARLP")	\$ 303,638	\$	(1,943)	\$ 643	\$ 302,338
GENERAL PARTNERS' INTEREST IN NET INCOME OF ARLP	\$ 21,904	\$	(21,904)(e)	\$	\$

LIMITED PARTNERS' INTEREST IN NET INCOME OF ARLP	\$	281,734	\$	19,961(e)	\$	643	\$	302,338
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BASIC AND DILUTED NET INCOME OF ARLP PER LIMITED PARTNER UNIT	\$	2.80			\$	2.29
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WEIGHTED-AVERAGE NUMBER OF UNITS OUTSTANDING BASIC AND DILUTED	98,707,696	33,293,785(j)	132,001,481
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(See Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements)

F-5

Table of Contents

ARLP AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

The unaudited pro forma condensed consolidated financial statements and underlying pro forma adjustments are based upon currently available information and certain estimates and assumptions made by the management of ARLP and AHGP; therefore, actual results could differ materially from the pro forma information. However, management believes the assumptions provide a reasonable basis for presenting the significant effect of the simplification transactions. ARLP and AHGP believe the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the pro forma information.

The simplification transactions for ARLP will be accounted for prospectively as an exchange of equity interests between entities under common control when it issues the estimated 1,320,377 ARLP common units to SGP in exchange for the contribution of the limited partner interests in AHGP, which owns indirectly the general partner interest in AROP and managing member interest in Alliance Coal. Since ARLP and AHGP are under common control both before and after the simplification transactions, no fair value adjustment will be made to the assets or liabilities of AHGP and no gain or loss will be recognized in ARLP's net income. The accounting treatment of the simplification transactions from the standpoint of AHGP is not relevant as the intent of management is to de-list AHGP.

Note 2. Pro Forma Adjustments

- (a) This column represents adjustments to our condensed consolidated financial statements to include historical accounts and operations of AHGP for 2017 with no simplification savings included.
- (b) The adjustments reflected in this column represent the impact of the estimated reduction in general and administrative expenses if the simplification transactions had occurred on January 1, 2017.
- (c) Adjustments represent the inclusion of historical assets and liabilities held at AHGP, including cash, prepaid expenses, accounts payable, accrued taxes and accrued directors' compensation.
- (d) Adjustment represents the elimination of a due from affiliate receivable from AHGP.
- (e) Adjustments represent allocations from general partners' interest to limited partners' interest as a result of ARLP acquiring through the simplification transactions, the outstanding general partner interest in AROP and the outstanding managing member interest in Alliance Coal.
- (f) Reflects an adjustment for the estimated reduction in general and administrative expenses as a result of the simplification transactions including reduced directors' compensation, audit, tax, Schedule K-1 processing, annual report costs, NASDAQ fees, SEC filing fees, legal and other professional service fees.
- (g) Adjustment represents the elimination of administrative service revenues from AHGP.
- (h) Adjustment represents the inclusion of historical general and administrative expenses incurred at AHGP, certain of which represent amounts of shared expenses allocated to AHGP that are expected to continue to be incurred by ARLP after the simplification transactions.
- (i) Adjustments represent additional historical interest income earned and income tax expense incurred at AHGP.

Table of Contents

ARLP AND SUBSIDIARIES

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Note 2. Pro Forma Adjustments (Continued)

(j)

The weighted-average number of ARLP's basic and diluted units outstanding was adjusted to reflect the number of ARLP common units issued in relation to the simplification transactions, including the 1,320,377 ARLP common units estimated to be issued in the simplification transactions and the 56,107,181 ARLP common units issued in the incentive distribution rights exchange in July 2017, as being outstanding as of January 1, 2017.

F-7

Table of Contents

ANNEX A

SIMPLIFICATION AGREEMENT

A-1

Table of Contents

SIMPLIFICATION AGREEMENT

by and among

ALLIANCE HOLDINGS GP, L.P.

ALLIANCE GP, LLC

WILDCAT GP MERGER SUB, LLC

MGP II, LLC

ARM GP HOLDINGS, INC.

NEW AHGP GP, LLC

ALLIANCE RESOURCE PARTNERS, L.P.

ALLIANCE RESOURCE MANAGEMENT GP, LLC

AND

ALLIANCE RESOURCE GP, LLC

Dated as of February 22, 2018

A-2

Table of Contents

TABLE OF CONTENTS

ARTICLE I
CERTAIN DEFINITIONS

<u>Section 1.1</u>	<u>Certain Definitions</u>	<u>A-7</u>
--------------------	----------------------------	------------

ARTICLE II
DISTRIBUTIONS

<u>Section 2.1</u>	<u>Order of Completion</u>	<u>A-11</u>
<u>Section 2.2</u>	<u>Distribution of the AROP General Partner Interest to MGP II</u>	<u>A-11</u>
<u>Section 2.3</u>	<u>Amendment and Restatement of the AROP Partnership Agreement</u>	<u>A-11</u>
<u>Section 2.4</u>	<u>Distribution of Alliance Coal Managing Member Interest to MGP II</u>	<u>A-11</u>
<u>Section 2.5</u>	<u>Amendment and Restatement of the Alliance Coal Operating Agreement</u>	<u>A-12</u>
<u>Section 2.6</u>	<u>Distribution of the Distribution Units to AHGP</u>	<u>A-12</u>
<u>Section 2.7</u>	<u>Distribution of MGP Interest to AHGP</u>	<u>A-12</u>
<u>Section 2.8</u>	<u>Distribution of the MGP Interest to AGP</u>	<u>A-12</u>
<u>Section 2.9</u>	<u>Amendment and Restatement of the MGP Operating Agreement</u>	<u>A-12</u>

ARTICLE III
THE MERGER; EFFECTS OF THE MERGER

<u>Section 3.1</u>	<u>The Merger</u>	<u>A-12</u>
<u>Section 3.2</u>	<u>Closing</u>	<u>A-13</u>

ARTICLE IV
MERGER CONSIDERATION; EXCHANGE PROCEDURES

<u>Section 4.1</u>	<u>AHGP Unitholder Consideration</u>	<u>A-13</u>
<u>Section 4.2</u>	<u>Rights As Unitholders; Unit Transfers</u>	<u>A-14</u>
<u>Section 4.3</u>	<u>Exchange Procedures</u>	<u>A-14</u>
<u>Section 4.4</u>	<u>Anti-Dilution Provisions</u>	<u>A-16</u>
<u>Section 4.5</u>	<u>Treatment of Deferred Equity Awards</u>	<u>A-17</u>

ARTICLE V
POST-MERGER CONTRIBUTIONS

<u>Section 5.1</u>	<u>Order of Completion</u>	<u>A-17</u>
<u>Section 5.2</u>	<u>Contribution of the AHGP General Partner Interest to New AHGP GP</u>	<u>A-17</u>
<u>Section 5.3</u>	<u>Contribution of AHGP Limited Partner Interest to ARLP and the Contribution of New AHGP GP to ARLP</u>	<u>A-17</u>
<u>Section 5.4</u>	<u>Amendment of the AHGP Amended and Restated Partnership Agreement</u>	<u>A-17</u>
<u>Section 5.5</u>	<u>Amendment of the New AHGP GP LLC Agreement</u>	<u>A-18</u>

ARTICLE VI
REPRESENTATIONS AND WARRANTIES

<u>Section 6.1</u>	<u>Representations and Warranties of the Parties</u>	<u>A-18</u>
--------------------	--	-------------

ARTICLE VII
COVENANTS

<u>Section 7.1</u>	<u>Reasonable Best Efforts; Third Party Approvals</u>	<u>A-20</u>
--------------------	---	-------------

Table of Contents

<u>Section 7.2</u>	<u>Registration Statement</u>	<u>A-21</u>
<u>Section 7.3</u>	<u>Press Releases</u>	<u>A-21</u>
<u>Section 7.4</u>	<u>New ARLP Common Units Listed</u>	<u>A-22</u>
<u>Section 7.5</u>	<u>Section 16 Matters</u>	<u>A-22</u>
<u>Section 7.6</u>	<u>Notification of Certain Matters</u>	<u>A-22</u>
<u>Section 7.7</u>	<u>Indemnification</u>	<u>A-22</u>
<u>Section 7.8</u>	<u>Certificate for New ARLP Common Units</u>	<u>A-23</u>

ARTICLE VIII

CONDITIONS TO CONSUMMATION OF THE MERGER

<u>Section 8.1</u>	<u>Unitholder Vote</u>	<u>A-23</u>
<u>Section 8.2</u>	<u>Governmental Approvals</u>	<u>A-23</u>
<u>Section 8.3</u>	<u>No Injunction</u>	<u>A-23</u>
<u>Section 8.4</u>	<u>Representations, Warranties and Covenants of the ARLP Parties</u>	<u>A-24</u>
<u>Section 8.5</u>	<u>Representations, Warranties and Covenants of the AHGP Parties</u>	<u>A-24</u>
<u>Section 8.6</u>	<u>Effective Registration Statement</u>	<u>A-24</u>
<u>Section 8.7</u>	<u>NASDAQ Listing</u>	<u>A-24</u>

ARTICLE IX
TERMINATION

<u>Section 9.1</u>	<u>Termination</u>	<u>A-24</u>
<u>Section 9.2</u>	<u>Effect of Termination</u>	<u>A-25</u>

ARTICLE X
MISCELLANEOUS

<u>Section 10.1</u>	<u>Expenses</u>	<u>A-26</u>
<u>Section 10.2</u>	<u>Waiver; Amendment</u>	<u>A-26</u>
<u>Section 10.3</u>	<u>Counterparts</u>	<u>A-26</u>
<u>Section 10.4</u>	<u>Governing Law</u>	<u>A-26</u>
<u>Section 10.5</u>	<u>Notices</u>	<u>A-26</u>
<u>Section 10.6</u>	<u>Entire Understanding; No Third Party Beneficiaries</u>	<u>A-27</u>
<u>Section 10.7</u>	<u>Severability</u>	<u>A-27</u>
<u>Section 10.8</u>	<u>Titles and Headings</u>	<u>A-27</u>
<u>Section 10.9</u>	<u>Jurisdiction</u>	<u>A-27</u>
<u>Section 10.10</u>	<u>Waiver of Jury Trial</u>	<u>A-28</u>
<u>Section 10.11</u>	<u>Specific Performance</u>	<u>A-28</u>
<u>Section 10.12</u>	<u>Interpretation; Definitions</u>	<u>A-28</u>
<u>Section 10.13</u>	<u>Survival</u>	<u>A-28</u>

Table of Contents

SIMPLIFICATION AGREEMENT

This SIMPLIFICATION AGREEMENT, dated as of February 22, 2018 (this "**Agreement**"), is entered into by and among Alliance Holdings GP, L.P., a Delaware limited partnership ("**AHGP**"), Alliance GP, LLC, a Delaware limited liability company and the general partner of AHGP ("**AGP**"), Wildcat GP Merger Sub, LLC, a Delaware limited liability company and wholly owned subsidiary of AGP ("**Merger Sub**"), MGP II, LLC, a Delaware limited liability company and the sole member of MGP ("**MGP II**"), ARM GP Holdings, Inc., a Delaware corporation and wholly owned subsidiary of AHGP ("**ARMH**"), New AHGP GP, LLC, a Delaware limited liability company and wholly owned subsidiary of AGP ("**New AHGP GP**"), Alliance Resource Partners, L.P., a Delaware limited partnership ("**ARLP**"), Alliance Resource Management GP, LLC, a Delaware limited liability company and the general partner of ARLP ("**MGP**"), and Alliance Resource GP, LLC, a Delaware limited liability company ("**SGP**").

RECITALS

WHEREAS, MGP (i) is the managing general partner of AROP and (ii) owns a 1.0001% General Partner Interest (as defined in the AROP Partnership Agreement) in AROP (the "**AROP Managing General Partner Interest**");

WHEREAS, MGP (i) is the managing member of Alliance Coal, LLC, a Delaware limited liability company ("**Alliance Coal**") and (ii) owns a 0.001% Membership Interest (as defined in the Alliance Coal Operating Agreement) in Alliance Coal (the "**Alliance Coal Managing Member Interest**");

WHEREAS, MGP II (i) owns 56,100,000 ARLP Common Units (the "**Distribution Units**") and (ii) 100% of the limited liability company interests of MGP (the "**MGP Interest**");

WHEREAS, AGP is the (i) general partner of AHGP and (ii) owns the General Partner Interest (as defined in the AHGP Partnership Agreement) in AHGP (the "**AHGP General Partner Interest**");

WHEREAS, AGP is (i) the sole member of New AHGP GP and (ii) owns 100% of the limited liability company interests of New AHGP GP (the "**New AHGP GP Interest**");

WHEREAS, MGP, in its individual capacity, desires to distribute the AROP Managing General Partner Interest to MPG II and cease to be the managing general partner of AROP, upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, simultaneously with the distribution by MGP of the AROP Managing General Partner Interest to MPG II, MGP II desires to be admitted to AROP as the managing general partner of AROP;

WHEREAS, following the admission of MGP II to AROP as the managing general partner of AROP, MGP II desires to amend and restate the AROP Partnership Agreement to reflect, among other items, the admission of MGP II as the managing general partner of AROP;

WHEREAS, MGP, in its individual capacity, desires to distribute the Alliance Coal Managing Member Interest to MPG II and cease to be the managing member of Alliance Coal, upon the terms and subject to the conditions set forth in this Agreement;

WHEREAS, simultaneously with the distribution by MGP of the Alliance Coal Managing Member Interest to MPG II, MGP II desires to be admitted to Alliance Coal as the managing member of Alliance Coal;

WHEREAS, following the admission of MGP II to Alliance Coal as the managing member of Alliance Coal, MGP II desires to amend and restate the Alliance Coal Operating Agreement to reflect, among other items, the admission of MGP II as the managing member of Alliance Coal;

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Table of Contents

WHEREAS, immediately following the foregoing distribution, MGP II desires to distribute (i) 99.999% of (a) the Distribution Units and (b) the MGP Interest to AHGP and (ii) 0.001% of (x) the Distribution Units and (y) the MGP Interest to ARMH, and immediately after such distribution, ARMH desires to distribute such portion of the Distribution Units and MGP Interest it received from MGP II to AHGP;

WHEREAS, simultaneously with the distribution by MGP II and ARMH of the Distribution Units and MGP Interest to AHGP, AHGP desires to be admitted to MGP as the sole member thereof;

WHEREAS, on the Closing Date and immediately following the foregoing actions, Merger Sub will merge with and into AHGP, with AHGP surviving (the "**Merger**"), such that (i) all of the AHGP Common Units issued and outstanding immediately prior to the Effective Time, including any AHGP Deferred Phantom Units that will be treated as AHGP Common Units pursuant to *Section 4.5* of this Agreement (the "**Outstanding AHGP Common Units**"), will be cancelled and converted into the right to receive the Exchange Units, (ii) AGP will continue to be the sole general partner of AHGP and (iii) SGP will become the sole limited partner of AHGP and own 100% of the limited partner interests of AHGP (the "**AHGP Limited Partner Interest**");

WHEREAS, simultaneously with the consummation of the Merger, AHGP desires to distribute the MGP Interest to AGP and cease to be the sole member of MGP;

WHEREAS, simultaneously with the distribution by AHGP of the MGP Interest to AGP, AGP desires to be admitted to MGP as the sole member thereof;

WHEREAS, following the admission of AGP as the sole member of MGP, AGP desires to amend and restate the MGP Operating Agreement to reflect, among other items, the admission of AGP as the sole member of MGP;

WHEREAS, immediately following the foregoing actions, AGP desires to contribute the AHGP General Partner Interest to New AHGP GP and cease to be the general partner of AHGP;

WHEREAS, following the admission of New AHGP GP to AHGP as the general partner of AHGP, New AHGP GP desires to amend the AHGP Amended and Restated Partnership Agreement to reflect the admission of New AHGP GP as the general partner of AHGP;

WHEREAS, immediately following the foregoing actions, (i) SGP desires to contribute the AHGP Limited Partner Interest to ARLP in exchange for New ARLP Common Units; (ii) ARLP desires to issue the New ARLP Common Units to SGP in exchange for the AHGP Limited Partner Interest; and (iii) simultaneously with the contribution by SGP of the AHGP Limited Partner Interest to ARLP, AGP desires to contribute 100% of the New AHGP GP Interest to ARLP;

WHEREAS, following the admission of ARLP to New AHGP GP as the sole member of New AHGP GP, ARLP desires to amend the New AHGP GP LLC Agreement to reflect the admission of ARLP as the sole member of New AHGP GP;

WHEREAS, the Board of Directors of AGP (the "**AGP Board**"), acting in its capacity as general partner of AHGP, has determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair and reasonable to, and in the best interests of, AHGP and its limited partners, including the limited partners of AHGP that are not Affiliates of AGP (the "**AHGP Unaffiliated Unitholders**"), taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to AHGP);

WHEREAS, the Board of Directors of MGP (the "**MGP Board**"), acting in its capacity as general partner of ARLP, has determined that this Agreement and the transactions contemplated hereby, including, immediately following the Merger, (i) the issuance of the New ARLP Common Units to SGP in exchange for the AHGP Limited Partner Interest and (ii) the receipt by ARLP of the New

Table of Contents

AHGP GP Interest (collectively, the "**ARLP Transactions**"), are fair to, and in the best interests of, ARLP and its limited partners, including the limited partners of ARLP other than AHGP and its Affiliates (the "**ARLP Unaffiliated Unitholders**"), taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to ARLP);

WHEREAS, concurrently with the execution and delivery of this Agreement, as a condition and inducement to the parties' willingness to enter into this Agreement, certain unitholders of AHGP who collectively beneficially own a majority of the outstanding AHGP Common Units and who are identified as parties to the AHGP Unitholder Support Agreement (collectively, such AHGP unitholders, the "**AHGP Supporting Unitholders**") are entering into the AHGP Unitholder Support Agreement, pursuant to which, among other things, the AHGP Supporting Unitholders have agreed, subject to the terms and conditions set forth therein, to vote (or cause the vote of, as applicable) all of their AHGP Common Units beneficially owned by them as set forth in Schedule I thereto in favor of the Merger and the approval and adoption of this Agreement and the transactions contemplated thereby, as the same may be amended, supplemented, restated or otherwise modified from time to time, and the transactions contemplated hereby;

WHEREAS, each of (i) the AGP Board, on behalf of itself and AHGP, (ii) the MGP Board, on behalf of itself and ARLP, and (iii) AGP, as the sole member of Merger Sub, has approved this Agreement and the transactions contemplated hereby; and

WHEREAS, the parties hereto desire to make certain representations, warranties, covenants and agreements in connection with the transactions contemplated by this Agreement, including the Merger, the Distributions and the Contributions, and also to prescribe various conditions to the Merger.

NOW, THEREFORE, in consideration of the premises and the respective representations, warranties, covenants, agreements and conditions contained herein, the parties hereto agree as follows:

ARTICLE I

CERTAIN DEFINITIONS

Section 1.1 **Certain Definitions.** As used in this Agreement, the following terms shall have the meanings set forth below:

"**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"**Agreement**" shall have the meaning set forth in the introductory paragraph to this Agreement.

"**AGP**" shall have the meaning set forth in the introductory paragraph of this Agreement.

"**AGP Board**" shall have the meaning set forth in the recitals to this Agreement.

"**AGP LLC Agreement**" shall mean the Amended and Restated Limited Liability Company Agreement of Alliance GP, LLC, dated as of May 15, 2006.

"**AHGP**" shall have the meaning set forth in the introductory paragraph of this Agreement.

"**AHGP Amended and Restated Partnership Agreement**" shall have the meaning set forth in *Section 3.1(c)*.

"**AHGP Certificate of Limited Partnership**" shall mean the Certificate of Limited Partnership of AHGP as filed with the Secretary of State of the State of Delaware on November 10, 2005.

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Table of Contents

"**AHGP Common Unit**" shall mean the common units representing limited partner interests of AHGP having the rights and obligations specified with respect to Common Units in the AHGP Partnership Agreement.

"**AHGP Deferred Compensation Plan**" shall mean the Alliance GP, LLC Amended and Restated Directors Annual Retainer and Deferred Compensation Plan, dated as of January 1, 2011.

"**AHGP Deferred Phantom Units**" shall mean the phantom (notional) AHGP Common Units granted pursuant to the AHGP Deferred Compensation Plan.

"**AHGP General Partner Interest**" shall have the meaning set forth in the recitals to this Agreement.

"**AHGP Limited Partner Interests**" shall have the meaning set forth in in the recitals to this Agreement.

"**AHGP Parties**" shall mean AHGP, AGP, Merger Sub, ARMH, MGP II, SGP and MGP, acting in its individual capacity.

"**AHGP Partnership Agreement**" shall mean the Amended and Restated Agreement of Limited Partnership of Alliance Holdings GP, L.P., dated as of May 15, 2006, as amended by Amendment No. 1 thereto, dated October 25, 2007.

"**AHGP Supporting Unitholders**" shall have the meaning set forth in the recitals to this Agreement.

"**AHGP Unaffiliated Unitholders**" shall have the meaning set forth in the recitals to this Agreement.

"**AHGP Unitholder Approval**" shall have the meaning set forth in *Section 8.1*.

"**AHGP Unitholder Consideration**" shall have the meaning set forth in *Section 4.1(c)*.

"**AHGP Unitholder Support Agreement**" shall mean the Support Agreement dated as of February 22, 2018, by and among AHGP and the AHGP Supporting Unitholders.

"**Alliance Coal**" shall have the meaning set forth in the recitals to this Agreement.

"**Alliance Coal Managing Member Interest**" shall have the meaning set forth in the recitals to this Agreement.

"**Alliance Coal Operating Agreement**" shall mean the Amended and Restated Operating Agreement of Alliance Coal, LLC, dated as of August 20, 1999, as amended by the First Amendment thereto, dated as of July 26, 2007, as such agreement may be amended, supplemented, restated or otherwise modified from time to time.

"**ARLP**" shall have the meaning set forth in the introductory paragraph to this Agreement.

"**ARLP Common Units**" shall mean the common units representing limited partner interests of ARLP having the rights and obligations specified with respect to Common Units in the ARLP Partnership Agreement.

"**ARLP Partnership Agreement**" shall mean the Fourth Amended and Restated Agreement of Limited Partnership of Alliance Resource Partners, L.P., dated July 28, 2017, as such agreement may be amended, supplemented, restated or otherwise modified from time to time.

"**ARLP Transactions**" shall have the meaning set forth in the recitals to this Agreement.

"**ARLP Parties**" shall mean ARLP and MGP, acting in its capacity as the general partner of ARLP.

"**ARLP Per Unit Distribution Amount**" shall mean the per unit amount distributed by ARLP with respect to ARLP Common Units in connection with its last quarterly distribution of Available Cash (as defined in the ARLP Partnership Agreement) prior to the Closing.

Table of Contents

"**ARLP Unaffiliated Unitholders**" shall have the meaning set forth in the recitals to this Agreement.

"**ARMH**" shall shall have the meaning set forth in the introductory paragraph of this Agreement.

"**AROP**" shall mean Alliance Resource Operating Partners, L.P., a Delaware limited partnership.

"**AROP GP Distribution**" shall have the meaning set forth in *Section 2.2(a)*.

"**AROP Managing General Partner Interest**" shall have the meaning set forth in the recitals to this Agreement.

"**AROP Partnership Agreement**" shall mean the Amended and Restated Agreement of Limited Partnership of AROP, dated as of August 20, 1999, as such agreement may be amended, supplemented, restated or otherwise modified from time to time.

"**Book-Entry Units**" shall have the meaning set forth in *Section 4.1(d)*.

"**Business Day**" shall mean any day which is not a Saturday, Sunday or other day on which banks are authorized or required to be closed in the City of New York, New York.

"**Certificate**" shall have the meaning set forth in *Section 4.1(d)*.

"**Certificate of Merger**" shall have the meaning set forth in *Section 3.1(b)*.

"**Closing**" shall have the meaning set forth in *Section 3.2*.

"**Closing Date**" shall have the meaning set forth in *Section 3.2*.

"**Code**" shall mean the Internal Revenue Code of 1986, as amended.

"**Consent Statement**" shall have the meaning set forth in *Section 7.2(a)*.

"**Contribution Time**" shall mean immediately after the Effective Time upon the consummation of the Contributions.

"**Contributions**" shall have the meaning set forth in *Section 5.1*.

"**Distributions**" shall have the meaning set forth in *Section 2.1*.

"**Distribution Units**" shall have the meaning set forth in the recitals to this Agreement.

"**DLLCA**" shall mean the Delaware Limited Liability Company Act, 6 Del.C. §18-101 et seq.

"**DRULPA**" shall mean the Delaware Revised Uniform Limited Partnership Act, 6 Del.C. §17-101 et seq.

"**Effective Time**" shall have the meaning set forth in *Section 3.1(b)*.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Exchange Agent**" shall mean such entity as may be mutually selected by AGP and AHGP pursuant to *Section 4.3(a)*.

"**Exchange Fund**" shall have the meaning set forth in *Section 4.3(a)*.

"**Exchange Ratio**" shall mean an amount equal to (i) the number of Transferred Units divided by (ii) the number of Outstanding AHGP Common Units.

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"*Exchange Units*" shall mean the ARLP Common Units held by AHGP and its Subsidiaries immediately prior to the Merger (but after giving effect to the Distributions).

"*Expenses*" shall have the meaning set forth in *Section 10.1(e)*.

A-9

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Table of Contents

"**Governmental Authority**" means any national, state, local, county, parish or municipal government, domestic or foreign, any agency, board, bureau, commission, court, tribunal, subdivision, department or other governmental or regulatory authority or instrumentality, or any arbitrator in any case that has jurisdiction over AHGP, ARLP or any of their respective Subsidiaries, as the case may be, or any of their respective properties or assets.

"**Indemnitees**" shall have the meaning set forth in *Section 7.7*.

"**Law**" shall mean any law, rule, regulation, directive, ordinance, code, governmental determination, guideline, judgment, order, treaty, convention, governmental certification requirement or other legally enforceable requirement, U.S. or non-U.S., of any Governmental Authority.

"**Lien**" shall mean any charge, mortgage, pledge, security interest, restriction, claim, lien, or encumbrance.

"**Merger**" shall have the meaning set forth in the recitals to this Agreement.

"**Merger Sub**" shall have the meaning set forth in the introductory paragraph in this Agreement.

"**MGP**" shall have the meaning set forth in the introductory paragraph to this Agreement.

"**MGP Board**" shall have the meaning set forth in the recitals to this Agreement.

"**MGP Interest**" shall have the meaning set forth in the recitals to this Agreement.

"**MGP Operating Agreement**" shall mean the Second Amended and Restated Operating Agreement of Alliance Resource Management GP, LLC, dated July 28, 2017.

"**NASDAQ**" shall mean the Nasdaq Global Select Market.

"**New ARLP Common Units**" shall have the meaning set forth in *Section 5.3(a)*.

"**New AHGP GP**" shall have the meaning set forth in the introductory paragraph in this Agreement.

"**New AHGP GP Interest**" shall have the meaning set forth in the recitals to this Agreement.

"**New AHGP GP LLC Agreement**" shall mean the Limited Liability Company Agreement of New AHGP GP LLC, dated February 20, 2018.

"**Outstanding**" shall have the meaning set forth in the AHGP Partnership Agreement.

"**Outstanding AHGP Common Units**" shall have the meaning set forth in the recitals to this Agreement.

"**Permitted Liens**" means liens that do not have a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement.

"**Person**" or "**person**" shall mean any individual, bank, corporation, partnership, limited liability company, association, joint-stock company, business trust or unincorporated organization.

"**Registration Statement**" shall have the meaning set forth in *Section 7.2(a)*.

"**Regulatory Authorities**" shall mean any federal or state governmental agency or court or authority or other body.

"**Retained Interest Distribution Amount**" shall mean the aggregate dollar amount distributed to MGP in respect of its AROP Managing General Partner Interest and Alliance Coal Managing Member Interest in connection with the last quarterly distribution of Available Cash (as defined in the ARLP Partnership Agreement) by ARLP that occurs prior to the Closing.

"SEC" shall mean the Securities and Exchange Commission.

A-10

Table of Contents

"**SGP**" shall have the meaning set forth in the introductory paragraph in this Agreement.

"**Securities Act**" shall mean the Securities Act of 1933, as amended, and the rules and regulations thereunder.

"**Subsidiaries**" shall have the meaning ascribed to such term in Rule 1-02 of Regulation S-X under the Securities Act, except, in the case of AHGP, ARLP, MGP and their respective Subsidiaries shall not be deemed to be Subsidiaries of AHGP (unless otherwise specifically provided in this Agreement).

"**Surviving Entity**" shall have the meaning set forth in *Section 3.1(a)*.

"**Termination Date**" shall have the meaning set forth in *Section 9.1(b)*.

"**Transferred Units**" shall mean the Exchange Units and the New ARLP Common Units.

ARTICLE II

DISTRIBUTIONS

Section 2.1 **Order of Completion.** Except as otherwise set forth in this *Article II*, the matters provided for in this *Article II* (the "**Distributions**") shall be completed on the Closing Date immediately prior to the Effective Time in the order set forth in this *Article II*.

Section 2.2 **Distribution of the AROP General Partner Interest to MGP II.**

(a) Immediately prior to the Effective Time, (i) MGP, acting in its individual capacity, shall distribute the AROP Managing General Partner Interest to MGP II (the "**AROP GP Distribution**"), (ii) MGP II shall and does hereby accept, and agree to be bound by, the terms of the AROP Partnership Agreement and (iii) MGP II shall be and is hereby admitted to AROP as the Managing General Partner (as defined in the AROP Partnership Agreement). Immediately thereafter, MGP, acting in its individual capacity, shall and does hereby cease to be the Managing General Partner (as defined in the AROP Partnership Agreement) of AROP and shall thereupon cease to have or exercise any right or power as a partner of AROP.

(b) Notwithstanding any provision in the AROP Partnership Agreement, (i) MGP, in its capacity as the managing general partner of ARLP, and ARLP, in its capacity as the special general partner of AROP and in its capacity as the sole limited partner of AROP, hereby consents to the AROP GP Distribution for all purposes under the AROP Partnership Agreement and (ii) the AROP Partnership Agreement shall be and is hereby deemed amended pursuant to Section 13.2 thereof to permit the AROP GP Distribution.

Section 2.3 **Amendment and Restatement of the AROP Partnership Agreement.** Pursuant to Section 10.5 and Section 13.1 of the AROP Partnership Agreement, MGP II shall and does hereby authorize the AROP Partnership Agreement to be amended and restated in its entirety to reflect, among other items, the admission of MGP II as the Managing General Partner (as defined in the AROP Partnership Agreement) of AROP.

Section 2.4 **Distribution of Alliance Coal Managing Member Interest to MGP II.** Simultaneously with the AROP Distribution, (a) MGP, acting in its individual capacity, shall distribute the Alliance Coal Managing Member Interest to MGP II, (b) MGP II shall and does hereby accept, and agree to be bound by, the terms of the Alliance Coal Operating Agreement and (c) MGP II shall be and is hereby admitted to Alliance Coal as the Managing Member (as defined in the Alliance Coal Operating Agreement). Immediately thereafter, MGP, acting in its individual capacity, shall and does hereby cease to be a member of Alliance Coal and shall thereupon cease to have or exercise any right or power as a member of Alliance Coal.

Table of Contents

Section 2.5 ***Amendment and Restatement of the Alliance Coal Operating Agreement.*** Pursuant to Section 11.5 and Section 14.1 of the Alliance Coal Operating Agreement, MGP II shall and does hereby authorize the Alliance Coal Operating Agreement to be amended and restated in its entirety to reflect, among other items, the admission of MGP II as the Managing Member (as defined in the Alliance Coal Operating Agreement) of Alliance Coal.

Section 2.6 ***Distribution of the Distribution Units to AHGP.*** Immediately following the foregoing distributions, but before the Effective Time, (a) MGP II shall distribute (i) 99.999% of the Distribution Units to AHGP and (ii) 0.001% of the Distribution Units to ARMH and (b) immediately after such distribution, ARMH shall distribute such portion of the Distribution Units it received from MGP II to AHGP.

Section 2.7 ***Distribution of MGP Interest to AHGP.*** Simultaneously with the foregoing distribution, but before the Effective Time, (a) MGP II shall distribute (i) 99.999% of the MGP Interest to AHGP and (ii) 0.001% of the MGP Interest to ARMH, (b) immediately after such distribution, ARMH shall distribute such portion of the MGP Interest it received from MGP II to AHGP, (c) AHGP shall and does hereby accept, and agree to be bound by, the terms of the MGP Operating Agreement and (iv) AHGP shall be and is hereby admitted to MGP as the sole member. Immediately thereafter, MGP II shall and does hereby cease to be a member of MGP and shall thereupon cease to have or exercise any right or power as a member of MGP.

Section 2.8 ***Distribution of the MGP Interest to AGP.*** Simultaneously with the consummation of the Merger, (a) AHGP shall distribute the MGP Interest to AGP, (b) AGP shall and does hereby accept, and agree to be bound by, the terms of the MGP Operating Agreement and (c) AGP shall be and is hereby admitted to MGP as the sole member. Immediately thereafter, AHGP shall and does hereby cease to be a member of MGP and shall thereupon cease to have or exercise any right or power as a member of MGP.

Section 2.9 ***Amendment and Restatement of the MGP Operating Agreement.*** Pursuant to Section 14 of the MGP Operating Agreement, AGP shall and does hereby authorize the MGP Operating Agreement to be amended and restated in its entirety, in the form attached hereto as *Exhibit A*, to reflect, among other items, the admission of AGP as the sole member of MGP.

ARTICLE III

THE MERGER; EFFECTS OF THE MERGER

Section 3.1 ***The Merger.***

(a) ***The Surviving Entity.*** Subject to the terms and conditions of this Agreement, at the Effective Time, Merger Sub shall merge with and into AHGP, the separate existence of Merger Sub shall cease and AHGP shall survive and continue to exist as a Delaware limited partnership (AHGP, as the surviving entity in the Merger, sometimes being referred to herein as the "***Surviving Entity***"), such that immediately following the Merger, AGP will continue to be the sole general partner of AHGP and SGP will become the sole limited partner of AHGP.

(b) ***Effectiveness and Effects of the Merger.*** Subject to the satisfaction or waiver of the conditions set forth in *Article VIII* in accordance with this Agreement, the Merger shall become effective upon the later to occur of the filing in the office of the Secretary of State of the State of Delaware of a properly executed certificate of merger (the "***Certificate of Merger***") and such later date and time as may be set forth in the Certificate of Merger (the "***Effective Time***"), in accordance with the DRULPA and the DLLCA. The Merger shall have the effects prescribed in the DRULPA and the DLLCA.

Table of Contents

(c) *AHGP Certificate of Limited Partnership and AHGP Partnership Agreement.* At the Effective Time, the AHGP Certificate of Limited Partnership shall remain unchanged and shall be the certificate of limited partnership of the Surviving Entity, until duly amended in accordance with applicable Law. At the Effective Time, the AHGP Partnership Agreement shall be amended and restated in its entirety, in the form attached hereto as *Exhibit B*, to reflect AGP as the sole general partner of AHGP and SGP as the sole limited partner of AHGP, and such other matters as contemplated by this Agreement and the transactions contemplated hereby, and as so amended and restated shall be the partnership agreement (the "*AHGP Amended and Restated Partnership Agreement*") of the Surviving Entity until duly amended in accordance with the terms thereof and applicable Law.

Section 3.2 *Closing.* Subject to the satisfaction or waiver of the conditions as set forth in *Article VIII* in accordance with this Agreement, the Merger and the other transactions contemplated hereby (the "*Closing*") shall occur on (a) the third Business Day after the day on which the last of the conditions set forth in *Article VIII* shall have been satisfied or waived in accordance with the terms of this Agreement or (b) such other date to which the parties may agree in writing. The date on which the Closing occurs is referred to as the "*Closing Date*." The Closing of the transactions contemplated by this Agreement shall take place at the offices of Vinson & Elkins LLP, 1001 Fannin Street, Houston, Texas at 9:00 a.m. Central Time on the Closing Date.

ARTICLE IV

MERGER CONSIDERATION; EXCHANGE PROCEDURES

Section 4.1 *AHGP Unitholder Consideration.* Subject to the provisions of this Agreement, at the Effective Time, by virtue of the Merger and without any action on the part of AGP, AHGP, Merger Sub or any holder of AHGP Common Units:

(a) All of the limited liability company interests in Merger Sub outstanding immediately prior to the Effective Time shall be converted into and become limited partner interests in AHGP, which limited partner interests shall be duly authorized and validly issued, fully paid (to the extent required under the AHGP Partnership Agreement and the AHGP Amended and Restated Partnership Agreement) and non-assessable (except to the extent such non-assessability may be affected by Sections 17-303, 17-607 and 17-804 of the DRULPA), and shall be held by SGP.

(b) The general partner interest in AHGP issued and outstanding immediately prior to the Effective Time shall remain outstanding and unchanged subject to such changes as are set forth in the AHGP Amended and Restated Partnership Agreement, and AGP shall continue to be the sole general partner of AHGP.

(c) Each Outstanding AHGP Common Unit (other than AHGP Common Units held by SGP) shall be converted into the right to receive a number of Exchange Units equal to the Exchange Ratio, and the Outstanding AHGP Common Units held by SGP immediately prior to the Merger shall be converted into the right to receive a number of Exchange Units equal to (i) the product of (A) the aggregate number of Outstanding AHGP Common Units held by SGP and (B) the Exchange Ratio, minus (ii) the aggregate number of New ARLP Common Units. The Exchange Units and any cash paid in lieu of any fractional Exchange Unit are collectively referred to herein as the "*AHGP Unitholder Consideration*."

(d) All AHGP Common Units, when converted as a result of and pursuant to the Merger, shall cease to be outstanding and shall automatically be canceled and cease to exist. At the Effective Time, each holder of a certificate representing AHGP Common Units (a "*Certificate*") and each holder of non-certificated AHGP Common Units represented by book-entry ("*Book-Entry Units*") shall cease to be a unitholder of AHGP and (except as set forth in *Section 4.2*) cease to

Table of Contents

have any rights with respect thereto, except the right to receive (i) such holder's portion of the AHGP Unitholder Consideration, including any cash to be paid in lieu of any fractional Exchange Unit in accordance with *Section 4.3(e)*, and the right to be admitted as a limited partner of ARLP in connection therewith, and (ii) any distributions in accordance with *Section 4.3(c)*, and in each case, to be issued or paid in consideration therefor in accordance with *Section 4.2*.

Section 4.2 *Rights As Unitholders; Unit Transfers.* At the Effective Time, holders of AHGP Common Units shall cease to be, and shall have no rights as, unitholders of AHGP, other than to receive (a) any distribution with respect to such AHGP Common Units with a record date occurring prior to the Effective Time that may have been declared or made by AHGP on such AHGP Common Units in accordance with the terms of this Agreement and which remains unpaid at the Effective Time and (b) the consideration provided under this *Article IV*. After the Effective Time, there shall be no transfers on the unit transfer books of AHGP with respect to the AHGP Common Units.

Section 4.3 *Exchange Procedures.*

(a) *Exchange Agent.* Promptly after the Effective Time, AHGP shall deposit or shall cause to be deposited with the Exchange Agent for the benefit of the holders of AHGP Common Units, for exchange in accordance with this *Article IV*, through the Exchange Agent, the AHGP Unitholder Consideration required by this *Article IV*. AHGP agrees to make available to the Exchange Agent, from time to time as needed, cash sufficient to pay any distributions pursuant to *Section 4.2(a)* and *Section 4.3(c)* and to make payments in lieu of any fractional Exchange Units pursuant to *Section 4.3(e)*. Any cash and Exchange Units deposited with the Exchange Agent (including as payment for any fractional Exchange Units in accordance with *Section 4.3(e)* and any distributions in accordance with *Section 4.3(c)*) shall hereinafter be referred to as the "**Exchange Fund**." The Exchange Agent shall, pursuant to irrevocable instructions, deliver the AHGP Unitholder Consideration contemplated to be paid for AHGP Common Units pursuant to this Agreement out of the Exchange Fund. Except as contemplated by *Sections 4.3(c)* and *4.3(e)*, the Exchange Fund shall not be used for any other purpose.

(b) *Exchange Procedures.* Promptly after the Effective Time, AHGP shall instruct the Exchange Agent to mail to each record holder of AHGP Common Units as of the Effective Time (i) a letter of transmittal (which shall specify that in respect of certificated units, delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon proper delivery of the Certificates to the Exchange Agent, and shall be in customary form and agreed to by AGP and AHGP prior to the Effective Time) and (ii) instructions for use in effecting the surrender of the Certificates or Book-Entry Units in exchange for the AHGP Unitholder Consideration payable in respect of the AHGP Common Units represented by such Certificates or Book-Entry Units. Promptly after the Effective Time, upon surrender of Certificates, if any, for cancellation to the Exchange Agent together with such letters of transmittal, properly completed and duly executed, and such other documents (including in respect of Book-Entry Units) as may be required pursuant to such instructions, the holders of AHGP Common Units shall be entitled to receive in exchange therefor (A) Exchange Units representing, in the aggregate, the whole number of Exchange Units that such holder has the right to receive pursuant to this *Article IV* (after taking into account all AHGP Common Units then held by such holder) and (B) a check in the amount equal to the aggregate amount of cash that such holder has the right to receive pursuant to this *Article IV*, including cash payable in lieu of any fractional Exchange Units pursuant to *Section 4.3(e)* and distributions pursuant to *Section 4.3(c)*. No interest shall be paid or accrued on any AHGP Unitholder Consideration (including any cash amount payable in lieu of any fractional Exchange Units pursuant to *Section 4.3(e)*) or on any unpaid distributions payable to holders of Certificates or Book-Entry Units. In the event of a transfer of ownership of AHGP Common Units that is not registered in the transfer records of AHGP, the AHGP Unitholder Consideration payable in respect of such AHGP Common Units may be paid to a transferee, if the Certificate representing

Table of Contents

such AHGP Common Units or evidence of ownership of the Book-Entry Units are presented to the Exchange Agent, and in the case of both certificated and book-entry Common Units, accompanied by all documents required to evidence and effect such transfer and the Person requesting such exchange shall pay to the Exchange Agent in advance any amounts required to be withheld, any transfer taxes or other similar taxes required by reason of the delivery of the AHGP Unitholder Consideration in any name other than that of the record holder of such AHGP Common Units, or shall establish to the satisfaction of the Exchange Agent that any amounts required to be withheld, any transfer taxes or other similar taxes have been paid or are not payable. Until the required documentation has been delivered and Certificates, if any, have been surrendered, as contemplated by this *Section 4.3*, each Certificate or Book-Entry Unit shall be deemed at any time after the Effective Time to represent only the right to receive, upon such surrender, the AHGP Unitholder Consideration payable in respect of the AHGP Common Units and any cash in lieu of fractional units pursuant to *Section 4.3(e)* and any distributions to which such holder is entitled pursuant to *Section 4.2*.

(c) *Distributions with Respect to Unexchanged AHGP Common Units.* No distributions declared or made with respect to Exchange Units with a record date after the Effective Time shall be paid to the holder of any AHGP Common Units with respect to the Exchange Units that such holder would be entitled to receive in accordance herewith and no cash payment in lieu of fractional Exchange Units shall be paid to any such holder until such holder shall deliver the required documentation and surrender any Certificate as contemplated by this *Section 4.3*. Subject to applicable Law, following compliance with the requirements of *Section 4.3(b)*, there shall be paid to such holder of the Exchange Units issuable in exchange therefor, without interest, (i) promptly after the time of such compliance, the amount of any cash payable in lieu of fractional Exchange Units to which such holder is entitled pursuant to *Section 4.3(e)* and the amount of distributions with a record date after the Effective Time theretofore paid with respect to the Exchange Units and payable with respect to such Exchange Units and (ii) at the appropriate payment date, the amount of distributions with a record date after the Effective Time but prior to such surrender and a payment date subsequent to such compliance payable with respect to such Exchange Units.

(d) *Further Rights in AHGP Units.* The AHGP Unitholder Consideration distributed upon conversion of an AHGP Common Unit in accordance with the terms hereof (including any cash paid pursuant to *Section 4.2*, *Section 4.3(c)* or *Section 4.3(e)*) shall be deemed to have been distributed in full satisfaction of all rights pertaining to such AHGP Common Unit.

(e) *Fractional Exchange Units.* No certificates or scrip of the Exchange Units representing fractional Exchange Units or book-entry credit of the same shall be issued upon the exchange of AHGP Common Units in accordance with *Section 4.3(b)*, and such fractional interests will not entitle the owner thereof to vote or to have any rights as a holder of any Exchange Units. Notwithstanding any other provision of this Agreement, each holder of AHGP Common Units exchanged in connection with the Merger who would otherwise have been entitled to receive a fraction of an Exchange Unit (after taking into account all AHGP Common Units exchanged by such holder), shall receive, in lieu thereof, cash (without interest, rounded up to the nearest whole cent) in an amount equal to the product of (i) the volume weighted average trading price of the Exchange Units as reported by Bloomberg during the 20 trading day period ending on the third trading day immediately preceding the date on which the Effective Time shall occur and (ii) the fraction of an Exchange Unit that such holder would otherwise be entitled to receive pursuant to this *Article IV*. As promptly as practicable after the determination of the amount of cash, if any, to be paid to holders of fractional interests, the Exchange Agent shall so notify AHGP, and AHGP shall deposit such amount with the Exchange Agent and shall cause the Exchange Agent to

Table of Contents

forward payments to such holders of fractional interests subject to and in accordance with the terms hereof.

(f) *Termination of Exchange Fund.* Any portion of the Exchange Fund constituting Exchange Units or cash that remains undistributed to the holders of AHGP Common Units after 180 days following the Effective Time shall be delivered to AHGP upon demand by AHGP and, from and after such delivery, any former holders of AHGP Common Units who have not theretofore complied with this *Article IV* shall thereafter look only to AHGP for the AHGP Unitholder Consideration payable in respect of such AHGP Common Units, any cash in lieu of fractional Exchange Units to which they are entitled pursuant to *Section 4.3(e)* and any distributions with respect to the AHGP Common Units to which they are entitled pursuant to *Section 4.3(c)*, in each case, without any interest thereon. Any amounts remaining unclaimed by holders of AHGP Common Units immediately prior to such time as such amounts would otherwise escheat to or become the property of any governmental entity shall, to the extent permitted by applicable Law, become the property of AHGP, free and clear of any Liens, claims or interest of any Person previously entitled thereto.

(g) *No Liability.* To the fullest extent permitted by Law, neither AGP nor the Surviving Entity shall be liable to any holder of AHGP Common Units for any Exchange Units (or distributions with respect thereto) or cash from the Exchange Fund delivered to a public official pursuant to any abandoned property, escheat or similar Law.

(h) *Lost Certificates.* If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by AHGP, the posting by such Person of a bond, in such reasonable amount as AHGP may direct, as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent shall pay in exchange for such lost, stolen or destroyed Certificate the AHGP Unitholder Consideration payable in respect of the AHGP Common Units represented by such Certificate and any distributions to which the holders thereof are entitled pursuant to *Section 4.2*.

(i) *Withholding.* The Surviving Entity and the Exchange Agent shall be entitled to deduct and withhold from the consideration otherwise payable pursuant to this Agreement to any holder of AHGP Common Units such amounts as the Surviving Entity or the Exchange Agent is required to deduct and withhold under the Code or any provision of state, local or foreign tax Law, with respect to the making of such payment. To the extent that amounts are so deducted and withheld by the Surviving Entity or the Exchange Agent, such amounts shall be treated for all purposes of this Agreement as having been paid to the holder of AHGP Common Units in respect of whom such deduction and withholding was made by the Surviving Entity or the Exchange Agent, as the case may be.

(j) *Book Entry and Admission of Holders of Exchange Units as Additional Limited Partners of ARLP.* All Exchange Units to be distributed in connection with the Merger shall be distributed in book entry form, without physical certificates. Upon the distribution of Exchange Units to the holders of AHGP Common Units in accordance with this *Section 4.3* and the compliance by such holders with the requirements of Section 10.3 of the ARLP Partnership Agreement, MGP shall consent to the admission of such holders as limited partners of ARLP and reflect such admission on the books and records of ARLP.

Section 4.4 *Anti-Dilution Provisions.* In the event of any subdivisions, reclassifications, recapitalizations, splits, combinations or distributions in the form of equity interests with respect to the AHGP Common Units or the Exchange Units, the number of Exchange Units to be distributed in connection with the Merger and the volume weighted average trading price of the Exchange Units determined in accordance with *Section 4.3(e)* will be correspondingly adjusted to provide the holders of Exchange Units the same economic effect as contemplated by this Agreement prior to such event.

Table of Contents

Section 4.5 **Treatment of Deferred Equity Awards.** Immediately prior to the Effective Time, all AHGP Deferred Phantom Units that are outstanding immediately prior to the Effective Time shall be paid in full and deemed to have been converted into shares of AHGP Common Units. By virtue of the Merger and without any action on the part of the holder of the AHGP Deferred Phantom Units, the AHGP Deferred Phantom Units will be treated as shares of AHGP Common Units for all purposes of this Agreement, including the right to receive a portion of the AHGP Unitholder Consideration, calculated by applying the Exchange Ratio in accordance with *Section 4.1(c)*.

ARTICLE V

POST-MERGER CONTRIBUTIONS

Section 5.1 **Order of Completion.** Except as otherwise set forth in this *Article V*, the matters provided for in this *Article V* (the "**Contributions**") shall be completed on the Closing Date immediately after the Effective Time in the order set forth in this *Article V*.

Section 5.2 **Contribution of the AHGP General Partner Interest to New AHGP GP.** Immediately following the Effective Time, (a) AGP shall and does hereby grant, contribute, transfer, assign and convey to New AHGP GP all right, title and interest in and to the AHGP General Partner Interest and New AHGP GP shall and does hereby accept such AHGP General Partner Interest from AGP as a contribution by AGP to the capital of New AHGP GP, (b) New AHGP GP shall and does hereby accept, and agree to be bound by, the terms of the AHGP Partnership Agreement and (c) New AHGP GP shall be and is hereby admitted as the general partner of AHGP. Immediately thereafter, AGP shall and does hereby cease to be a partner of AHGP and shall thereupon cease to have or exercise any right or power as a partner of AHGP.

Section 5.3 **Contribution of AHGP Limited Partner Interest to ARLP and the Contribution of New AHGP GP to ARLP.**

(a) Immediately following the Effective Time, SGP shall and does hereby grant, contribute, transfer, assign and convey to ARLP all right, title and interest in and to the AHGP Limited Partner Interest and ARLP shall and does hereby accept such AHGP Limited Partner Interest from SGP as a contribution by SGP to the capital of ARLP, and in exchange and as consideration for such contribution, ARLP shall issue to SGP an amount of ARLP Common Units equal to the Retained Interest Distribution Amount divided by the ARLP Per Unit Distribution Amount, rounded down to the nearest whole unit (the "**New ARLP Common Units**"). ARLP shall and does hereby accept, and agree to be bound by, the terms of the AHGP Partnership Agreement, including the power of attorney in Section 2.6 thereof, and New AHGP GP shall and does hereby consent to, and admit, ARLP as an additional limited partner of AHGP.

(b) Simultaneously with the contribution by SGP of the AHGP Limited Partner Interests to ARLP pursuant to *Section 5.3(a)*, (i) AGP shall and does hereby grant, contribute, transfer, assign and convey to ARLP all right, title and interest in and to the New AHGP GP Interest and ARLP shall and does hereby accept such New AHGP GP Interest from AGP as a contribution by AGP to the capital of ARLP, (ii) ARLP shall and does hereby accept, and agree to be bound by, the terms of the New AHGP GP LLC Agreement and (iii) ARLP shall be and is hereby admitted as the sole member of New AHGP GP. Immediately thereafter, AGP shall and does hereby cease to be a member of New AHGP GP and shall thereupon cease to have or exercise any right or power as a member of New AHGP GP.

Section 5.4 **Amendment of the AHGP Amended and Restated Partnership Agreement.** Pursuant to Article VIII of the AHGP Amended and Restated Partnership Agreement, New AHGP GP shall and does hereby authorize the AHGP Amended and Restated Partnership Agreement to be amended, in

Table of Contents

the form attached hereto as *Exhibit C*, to reflect the admission of New AHGP GP as the general partner of AHGP.

Section 5.5 **Amendment of the New AHGP GP LLC Agreement.** Pursuant to Section 14 of the New AHGP GP LLC Agreement, ARLP shall and does hereby authorize the New AHGP GP LLC Agreement to be amended and restated, in the form attached hereto as *Exhibit D*, to reflect the admission of ARLP as the sole member of New AHGP GP.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES

Section 6.1 **Representations and Warranties of the Parties.** Except as otherwise specifically provided in this *Article VI*, each party hereto represents and warrants to the other parties hereto, to the extent applicable, as follows:

(a) *Organization, Standing and Authority.* Such party is a limited liability company or limited partnership, as the case may be, duly formed and is validly existing and in good standing under the jurisdiction of its organization and has the limited liability company or limited partnership power and authority, as the case may be, to execute and deliver this Agreement and, subject to the terms and conditions hereof, to carry out its terms.

(b) *Capitalization.*

(i) In the case of AHGP, as of the date hereof, there are 59,863,000 AHGP Common Units issued and outstanding, and all such AHGP Common Units and the limited partner interests represented thereby were duly authorized and validly issued in accordance with the AHGP Partnership Agreement and are fully paid (to the extent required under the AHGP Partnership Agreement) and nonassessable (except as such nonassessability may be affected by Sections 17-303, 17-607 and 17-804 of the DRULPA). In the case of the AHGP, as of the date hereof, AGP owns a non-economic (0.0%) general partner interest in AHGP, and such general partner interest was duly authorized and validly issued in accordance with the AHGP Partnership Agreement.

(ii) In the case of ARLP, as of the date hereof, there are 130,903,256 ARLP Common Units issued and outstanding, and all of such ARLP Common Units, including the Exchange Units, and the limited partner interests represented thereby were duly authorized and validly issued in accordance with the ARLP Partnership Agreement and are fully paid (to the extent required under the ARLP Partnership Agreement) and nonassessable (except as such nonassessability may be affected by Sections 17-303, 17-607 and 17-804 of the DRULPA). In the case of ARLP, as of the date hereof, MGP owns a non-economic (0.0%) general partner interest in ARLP, and such general partner interest was duly authorized and validly issued in accordance with the ARLP Partnership Agreement.

(iii) In the case of ARLP, on the Closing Date, the New ARLP Common Units and the limited partner interests represented thereby will have been duly and validly authorized and, when issued and delivered in accordance with the terms and provisions of this Agreement, will be duly and validly issued and fully paid (to the extent required under the ARLP Partnership Agreement) and non-assessable (except as such nonassessability may be affected by matters described in ARLP's filings with the SEC).

(iv) In the case of MGP, acting in its individual capacity, MGP is the record holder of the AROP Managing General Partner Interest and the Alliance Coal Managing Member Interest and has good and valid title to such AROP Managing General Partner Interest and the Alliance Coal Managing Member Interest, free and clear of all liens, encumbrances or other

Table of Contents

claims other than Permitted Liens; there is no subscription, option, warrant, call, right, agreement or commitment relating to the issuance, sale, delivery, repurchase or transfer by MGP of such AROP Managing General Partner Interest and the Alliance Coal Managing Member Interest, except as set forth in the AROP Partnership Agreement and the Alliance Coal Operating Agreement, as applicable.

(v) In the case of MGP II, MGP II is the record holder of the Distribution Units and the MGP Interest and MGP II has good and valid title to such Distribution Units and the MGP Interest, free and clear of all liens, encumbrances or other claims other than Permitted Liens; there is no subscription, option, warrant, call, right, agreement or commitment relating to the issuance, sale, delivery, repurchase or transfer by MGP II of such Distribution Units and the MGP Interest, except as set forth in the ARLP Partnership Agreement and the MGP Operating Agreement, as applicable.

(vi) In the case of SGP, subject to the consummation of the Merger, on the Closing Date, SGP will be the record holder of the AHGP Limited Partner Interest and will have good and valid title to such AHGP Limited Partner Interest, free and clear of all liens, encumbrances or other claims other than Permitted Liens; there is no subscription, option, warrant, call, right, agreement or commitment relating to the issuance, sale, delivery, repurchase or transfer by SGP of such AHGP Limited Partner Interest, except as set forth in the AHGP Partnership Agreement.

(vii) In the case of AGP, AGP is the record holder of the AHGP General Partner Interest and the New AHGP GP Interest and has good and valid title to such AHGP General Partner Interest and New AHGP GP Interest, free and clear of all liens, encumbrances or other claims other than Permitted Liens; there is no subscription, option, warrant, call, right, agreement or commitment relating to the issuance, sale, delivery, repurchase or transfer by AGP of such AHGP General Partner Interest and New AHGP GP Interest, except as set forth in the AGP LLC Agreement and the New AHGP LLC Agreement, as applicable.

(c) *Approvals.*

(i) Such party has taken all action, subject to the AHGP Unitholder Approval, in the case of AHGP, as may be necessary to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement and the performance of its obligations hereunder and this Agreement constitutes a legal, valid and binding obligation of such party (assuming the due execution and delivery by, or with respect to, the other parties hereto), enforceable against such party in accordance with its terms, subject to bankruptcy, receivership, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' or secured parties' rights generally from time to time in effect and to general principles of equity (including concepts of materiality, reasonableness, good faith and fair dealing), regardless of whether considered in a proceeding in equity or at law.

(ii) In the case of AHGP, (A) the AGP Board has determined that this Agreement and the transactions contemplated hereby, including the Merger, are fair and reasonable to, and in the best interests of, AHGP and the AHGP Unaffiliated Unitholders, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to AHGP), and has approved and declared the advisability of this Agreement and the transactions contemplated hereby, including the Merger; and (B) at a meeting duly called and held, the AGP Board, acting in its capacity as the general partner of AHGP, has approved, and recommended that the holders of the AHGP Common Units approve the Merger and the transactions contemplated hereby, including the Merger.

Table of Contents

(iii) In the case of ARLP, the MGP Board has determined that this Agreement and the transactions contemplated hereby, including the ARLP Transactions, are fair to, and in the best interests of, ARLP and its limited partners, including the ARLP Unaffiliated Unitholders, taking into account the totality of the relationships between the parties involved (including other transactions that may be particularly favorable or advantageous to ARLP), and has approved and declared the advisability of this Agreement and the ARLP Transactions.

(d) *No Conflicts.* Subject to the declaration of the effectiveness of the Registration Statement, required filings under federal and state securities laws and NASDAQ, and assuming the other consents, filings and approvals contemplated by *Article VIII* are duly obtained, none of the execution and delivery hereof, the performance of such party's obligations hereunder nor the consummation of the transactions contemplated by this Agreement will violate or contravene any applicable law, the organizational documents of such party or any of its material agreements.

(e) *No Brokers.* No action has been taken by it that would give rise to any valid claim against any party hereto for a brokerage commission, finder's fee or other like payment with respect to the transactions contemplated by this Agreement.

(f) *Regulatory Approvals.* No approval of any governmental agency is necessary to consummate the transactions contemplated by this Agreement, including the Merger, the Distributions and the Contributions (other than filings under the Securities Act and the filing of the Certificate of Merger with the Secretary of State of the State of Delaware).

(g) *Restricted Securities.* In the case of SGP, SGP is an "Accredited Investor" as defined in Rule 501(a) promulgated under the Securities Act, and, to the extent applicable, is acquiring the New ARLP Common Units for its own account, and not with a view to any distribution, resale, subdivision, or fractionalization thereof in violation of the Securities Act or any other applicable domestic or foreign securities law, and SGP has no present plans to enter into any contract, undertaking, agreement or arrangement for any distribution, resale, subdivision, or fractionalization of the New ARLP Common Units in violation of the Securities Act or any other applicable domestic or foreign securities law; and SGP understands that the New ARLP Common Units are characterized as "restricted securities" under the federal securities law inasmuch as they are being acquired from ARLP in a transaction not involving a public offering and that under such law and applicable regulations such securities may be resold under the Securities Act only in certain limited circumstances.

ARTICLE VII

COVENANTS

Section 7.1 *Reasonable Best Efforts; Third Party Approvals.*

(a) Subject to the terms and conditions of this Agreement, each party hereto shall use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper, desirable or advisable under applicable Laws, so as to permit consummation of the Merger promptly and otherwise to enable consummation of the transactions contemplated hereby, including the Distributions and Contributions. Each party hereto shall cooperate and use its reasonable best efforts to prepare all documentation, to effect all filings, to obtain all permits, consents, approvals and authorizations of all third parties necessary to consummate the transactions contemplated by this Agreement, including the Merger, the Distributions and the Contributions, and to comply with the terms and conditions of such permits, consents, approvals and authorizations and to cause the Merger and the transactions contemplated hereby to be consummated as expeditiously as practicable.

Table of Contents

Section 7.2 **Registration Statement.**

(a) Each of AHGP and ARLP agrees to cooperate in the preparation of a registration statement on Form S-4 (the "**Registration Statement**") (including the consent statement and prospectus and other consent solicitation materials of AHGP constituting a part thereof (the "**Consent Statement**") and all related documents) to be filed by ARLP with the SEC in connection with the distribution of Exchange Units in the Merger as contemplated by this Agreement. Provided AHGP has cooperated as required above, ARLP agrees to file the Registration Statement with the SEC as promptly as practicable after the date of this Agreement. Each of AHGP and ARLP agrees to use reasonable best efforts to cause the Registration Statement to be declared effective under the Securities Act as promptly as practicable after filing thereof, to maintain such effectiveness for as long as necessary to consummate the Merger and the other transactions contemplated hereby, and AHGP shall promptly thereafter mail the Consent Statement, which shall include a form of consent that may be executed by holders of the AHGP Common Units in connection with the consent solicitation. ARLP also agrees to use reasonable best efforts to obtain all necessary state securities law or "Blue Sky" permits and approvals required to carry out the transactions contemplated by this Agreement. Each of ARLP and AHGP agrees to furnish to the other party all information concerning the ARLP Parties and their Subsidiaries or the AHGP Parties and their Subsidiaries, as applicable, and the officers, directors and unitholders of ARLP and AHGP and any applicable Affiliates, as applicable, and to take such other action as may be reasonably requested in connection with the foregoing.

(b) Each of AHGP and ARLP agrees, as to itself and its Subsidiaries, that (i) none of the information supplied or to be supplied by it for inclusion or incorporation by reference in the Registration Statement will, at the time the Registration Statement and each amendment or supplement thereto, if any, becomes effective under the Securities Act, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (ii) the Consent Statement and any amendment or supplement thereto will, at the date of mailing to AHGP's unitholders, not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Each of AHGP and ARLP further agrees that if it shall become aware prior to the Closing Date of any information that would cause any of the statements in the Registration Statement to be false or misleading with respect to any material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not false or misleading, it will promptly inform the other party thereof and take the necessary steps to correct such information in an amendment or supplement to the Registration Statement.

(c) ARLP will advise AHGP, promptly after ARLP receives notice thereof, of the time when the Registration Statement has become effective or any supplement or amendment has been filed, of the issuance of any stop order or the suspension of the qualification of the Exchange Units for offering or sale in any jurisdiction, of the initiation or threat of any proceeding for any such purpose, or of any request by the SEC for the amendment or supplement of the Registration Statement or for additional information.

(d) AHGP will use its reasonable best efforts to cause the Consent Statement to be mailed to its unitholders as soon as practicable after the effective date of the Registration Statement.

Section 7.3 **Press Releases.** Prior to the termination of this Agreement pursuant to *Article IX*, each of the AHGP Parties, on the one hand, and the ARLP Parties, on the other hand, will not, without the prior approval of the other party, issue any press release or written statement for general circulation relating to the transactions contemplated hereby, except as otherwise required by applicable

Table of Contents

Law or the rules of the NASDAQ, in which case it will consult with the other party before issuing any such press release or written statement.

Section 7.4 ***New ARLP Common Units Listed.*** ARLP shall use its reasonable best efforts to list, prior to the Closing, on the NASDAQ, upon official notice of issuance, the New ARLP Common Units to be issued to SGP pursuant to this Agreement.

Section 7.5 ***Section 16 Matters.*** Prior to the Effective Time, AHGP and ARLP shall take all reasonable steps to cause the transactions contemplated by this Agreement and any other dispositions of equity securities of AHGP (including derivative securities) or acquisitions of ARLP Common Units in connection with this Agreement and the transactions contemplated hereby, by each individual who (a) is a director or officer of AHGP subject to Section 16 of the Exchange Act, or (b) on the Closing Date is or will become a director or officer of ARLP subject to Section 16 of the Exchange Act, to be exempt under Rule 16b-3 promulgated under the Exchange Act.

Section 7.6 ***Notification of Certain Matters.*** Each party hereto shall give prompt notice to the other of (a) any fact, event or circumstance known to it that would cause or constitute a material breach of any of its representations, warranties, covenants or agreements contained herein, and (b) any fact, event or circumstance that materially impairs or could reasonably be expected to materially impair its ability to perform its obligations under this Agreement or otherwise materially threaten or materially impede the consummation of the Merger and the other transactions contemplated by this Agreement, including the Distributions and the Contributions.

Section 7.7 ***Indemnification.***

(a) ARLP agrees that all rights to indemnification, advancement of expenses and exculpation from liabilities for acts or omissions occurring at or prior to the Contribution Time existing as of the date of this Agreement in favor of the Indemnitees (as defined in the AHGP Partnership Agreement) as provided in the AHGP Partnership Agreement (or, as applicable, the charter, bylaws, partnership agreement, limited liability company agreement, or other organizational documents of any of AHGP' Subsidiaries) and indemnification agreements of AHGP, AGP or any of their Subsidiaries (the "***Indemnitees***") shall be assumed by ARLP and MGP in the transactions contemplated by this Agreement, without further action, at the Contribution Time and shall survive the transactions contemplated by this Agreement and shall continue in full force and effect in accordance with their terms.

(b) For a period of six (6) years from the Contribution Time, the ARLP Partnership Agreement shall contain provisions no less favorable with respect to indemnification, advancement of expenses and limitations on liability of directors and officers than are set forth in the AHGP Partnership Agreement, which provisions shall not be amended, repealed or otherwise modified for a period of six (6) years from the Contribution Time in any manner that would affect adversely the rights thereunder of individuals who, at or prior to the Contribution Time, were Indemnitees, unless such modification shall be required by Law and then only to the minimum extent required by Law.

(c) If any of the ARLP Parties or any of their respective successors or assigns (i) consolidates with or merges with or into any other person and shall not be the continuing or surviving corporation, partnership or other entity of such consolidation or merger or (ii) transfers or conveys all or substantially all of its properties and assets to any person, then, and in each such case, proper provision shall be made so that the successors and assigns of ARLP and MGP assume the obligations set forth in this *Section 7.7*.

(d) This *Section 7.7* shall survive the consummation of the Merger and the transactions contemplated by this Agreement, including the Contributions, and is intended to be for the benefit of, and shall be enforceable by, the Indemnitees and their respective heirs and personal representatives, and shall be binding on the ARLP Parties and their respective successors and assigns.

Table of Contents

Section 7.8 *Certificate for New ARLP Common Units.* In connection with the issuance of the New ARLP Common Units to SGP, ARLP shall issue to SGP a certificate representing the number of New ARLP Common Units to be issued to such party pursuant to *Section 5.3(a)*. The certificate evidencing the New ARLP Common Units shall bear a legend substantially in the form set forth below and containing such other information as ARLP may deem necessary or appropriate:

THE UNITS (THE "UNITS") EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER AGREES THAT IT WILL NOT DISTRIBUTE, OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER (INDIVIDUALLY AND COLLECTIVELY, A "TRANSFER") THE UNITS EVIDENCED HEREBY, EXCEPT (A) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR (B) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT SUCH AS THE EXEMPTION SET FORTH IN RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE). IF THE PROPOSED TRANSFER IS TO BE MADE OTHER THAN PURSUANT TO *CLAUSE A* ABOVE, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE ISSUER AND THE TRANSFER AGENT SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THEY MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR ANY STATE OR FOREIGN SECURITIES LAW.

No fractional New ARLP Common Units or scrip shall be issued as a result of the transactions contemplated by *Section 5.3(a)* of this Agreement.

ARTICLE VIII

CONDITIONS TO CONSUMMATION OF THE MERGER

The obligations of each of each party hereto to consummate the Merger and the transactions contemplated hereby, including the Distributions and the Contributions, are conditioned upon the satisfaction at or prior to the Closing of each of the following:

Section 8.1 *Unitholder Vote.* This Agreement and the transactions contemplated thereby, including the Merger, shall have been approved and adopted by the affirmative vote or consent of holders of a majority of Outstanding Common Units ("*AHGP Unitholder Approval*") in accordance with applicable Law and the AHGP Partnership Agreement.

Section 8.2 *Governmental Approvals.* All filings required to be made prior to the Effective Time with, and all other consents, approvals, permits and authorizations required to be obtained prior to the Effective Time from, any Regulatory Authority in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by the parties hereto or their Affiliates shall have been made or obtained, except where the failure to obtain such consents, approvals, permits and authorizations would not be reasonably likely to result in a material and adverse effect on the AHGP Parties and their Subsidiaries, taken as whole, or the ARLP Parties and their Subsidiaries, taken as whole, as applicable.

Section 8.3 *No Injunction.* No order, decree or injunction of any court or agency of competent jurisdiction shall be in effect, and no Law shall have been enacted or adopted, that enjoins, prohibits or makes illegal consummation of any of the transactions contemplated hereby, and no action, proceeding or investigation by any Regulatory Authority with respect to the Merger or the other transactions contemplated hereby, including the Distributions and the Contributions, shall be pending that seeks to

Table of Contents

restrain, enjoin, prohibit or delay consummation of the Merger or such other transaction or to impose any material restrictions or requirements thereon or on ARLP or AHGP with respect thereto; provided, however, that prior to invoking this condition, such party shall have complied fully with its obligations under *Section 7.1*.

Section 8.4 ***Representations, Warranties and Covenants of the ARLP Parties.*** In the case of the AHGP Parties' obligation to consummate the Merger and the transactions contemplated hereby:

(a) each of the representations and warranties contained herein of the ARLP Parties shall be true and correct as of the date of this Agreement and upon the Closing Date with the same effect as though all such representations and warranties had been made on the Closing Date, except for any such representations and warranties made as of a specified date, which shall be true and correct as of such date, in any case, in all material respects.

(b) each and all of the agreements and covenants of the ARLP Parties to be performed and complied with pursuant to this Agreement on or prior to the Closing Date shall have been duly performed and complied with in all material respects; and

(c) AHGP shall have received a certificate signed by an executive officer of the MGP, dated the Closing Date, to the effect set forth in *Section 8.4(a)* and *Section 8.4(b)* .

Section 8.5 ***Representations, Warranties and Covenants of the AHGP Parties.*** In the case of the ARLP Parties' obligation to consummate the Merger and the transactions contemplated hereby:

(a) each of the representations and warranties contained herein of the AHGP Parties shall be true and correct as of the date of this Agreement and upon the Closing Date with the same effect as though all such representations and warranties had been made on the Closing Date, except for any such representations and warranties made as of a specified date, which shall be true and correct as of such date, in any case, in all material respects;

(b) each and all of the agreements and covenants of the AHGP Parties to be performed and complied with pursuant to this Agreement on or prior to the Closing Date shall have been duly performed and complied with in all material respects; and

(c) ARLP shall have received a certificate signed by an executive officer of AGP, dated the Closing Date, to the effect set forth in *Section 8.5(a)* and *Section 8.5(b)* .

Section 8.6 ***Effective Registration Statement.*** The Registration Statement shall have become effective under the Securities Act and no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been initiated or threatened by the SEC.

Section 8.7 ***NASDAQ Listing.*** The New ARLP Common Units shall have been approved listing on the NASDAQ, subject to official notice of issuance.

ARTICLE IX

TERMINATION

Section 9.1 ***Termination.*** Notwithstanding anything herein to the contrary, this Agreement may be terminated and the transactions contemplated hereby, including the Merger, may be abandoned at any time prior to the Effective Time whether before or after unitholder approval of this Agreement:

(a) By the mutual consent of the AHGP Parties in a written instrument.

Table of Contents

(b) By either AHGP or ARLP upon written notice to the other, if:

(i) the Merger has not been consummated on or before September 30, 2018 (the "**Termination Date**"); provided, however, that the right to terminate this Agreement pursuant to this *Section 9.1(b)* shall not be available to a party whose failure to fulfill any material obligation under this Agreement or other material breach of this Agreement has been the primary cause of, or resulted in, the failure of the Merger and the transactions contemplated hereby to have been consummated on or before such date;

(ii) any Regulatory Authority has issued a statute, rule, order, decree or regulation or taken any other action, in each case permanently restraining, enjoining or otherwise prohibiting the consummation of the Merger and the transactions contemplated hereby or making the Merger and the transactions contemplated hereby illegal and such statute, rule, order, decree, regulation or other action shall have become final and nonappealable (provided that the terminating party is not then in breach of *Section 7.1*);

(iii) there has been a material breach of or any material inaccuracy in any of the representations or warranties set forth in this Agreement on the part of any of the other parties (treating the ARLP Parties as one party for the purposes of this *Section 9.1* and treating the AHGP Parties as one party for the purposes of this *Section 9.1*), which breach is not cured within 30 days following receipt by the breaching party of written notice of such breach from the terminating party, or which breach, by its nature, cannot be cured prior to the Termination Date (provided in any such case that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained herein); provided, however, that no party shall have the right to terminate this Agreement pursuant to this *Section 9.1(b)(iii)* unless the breach of a representation or warranty, together with all other such breaches, would entitle the party receiving such representation not to consummate the transactions contemplated by this Agreement under *Section 8.4* (in the case of a breach of representation or warranty by the ARLP Parties) or *Section 8.5* (in the case of a breach of representation or warranty by the AHGP Parties); or

(iv) there has been a material breach of any of the covenants or agreements set forth in this Agreement on the part of any of the other parties, which breach has not been cured within 30 days following receipt by the breaching party of written notice of such breach from the terminating party, or which breach, by its nature, cannot be cured prior to the Termination Date (provided in any such case that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained herein); provided, however, that no party shall have the right to terminate this Agreement pursuant to this *Section 9.1(b)(iv)* unless the breach of covenants or agreements, together with all other such breaches, would entitle the party receiving the benefit of such covenants or agreements not to consummate the transactions contemplated by this Agreement under *Section 8.4* (in the case of a breach of covenants or agreements by the ARLP Parties) or *Section 8.5* (in the case of a breach of covenants or agreements by the AHGP Parties).

Section 9.2 Effect of Termination. In the event of the termination of this Agreement as provided in *Section 9.1*, written notice thereof shall forthwith be given by the terminating party to the other parties specifying the provision of this Agreement pursuant to which such termination is made, and except as provided in this *Section 9.2*, this Agreement (other than *Article VIII*) shall forthwith become null and void after the expiration of any applicable period following such notice. In the event of such termination, there shall be no liability on the part of any party hereto, except as set forth in *Section 10.1* of this Agreement; provided, however, that nothing herein shall relieve any party from any liability or obligation with respect to any fraud or intentional breach of this Agreement.

Table of Contents

ARTICLE X

MISCELLANEOUS

Section 10.1 **Expenses.**

(a) Whether or not the Merger is consummated, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs or expenses, except as otherwise provided in this *Section 10.1*.

(b) If this Agreement is terminated (i) by ARLP pursuant to *Section 9.1(b)(iii)* or *Section 9.1(b)(iv)* or (ii) by the AHGP Parties pursuant to *Section 9.1(a)*, then AHGP shall pay to ARLP the Expenses of the ARLP Parties.

(c) If this Agreement is terminated by AHGP pursuant to *Section 9.1(b)(iii)* or *Section 9.1(b)(iv)*, then ARLP shall pay to AHGP the Expenses of the AHGP Parties.

(d) Except as otherwise provided herein, any payment of Expenses pursuant to this *Section 10.1* shall be made by wire transfer of immediately available funds to an account designated by ARLP or an account designated by AHGP, as applicable, within one Business Day after such payment becomes payable. The parties hereto acknowledge that the agreements contained in this *Section 10.1* are an integral part of the transactions contemplated by this Agreement, and that, without these agreements, none of the parties would enter into this Agreement.

(e) As used in this Agreement, "**Expenses**" includes all out-of-pocket expenses (including all fees and expenses of counsel, accountants, investment bankers, experts and consultants to a party hereto and its affiliates) incurred by a party or on its behalf in connection with or related to the authorization, preparation, negotiation, execution and performance of this Agreement and the transactions contemplated hereby, including the preparation, printing, filing and mailing of the Consent Statement and the Registration Statement and the solicitation of unitholder approvals and all other matters related to the transactions contemplated hereby.

Section 10.2 **Waiver; Amendment.** Subject to compliance with applicable Law, prior to the Closing, any provision of this Agreement may be (a) waived in writing by the party benefited by the provision and approved by the MGP Board in the case of ARLP and by the AGP Board in the case of AHGP and executed in the same manner as this Agreement, or (b) amended or modified at any time, whether before or after the AHGP Unitholder Approval, by an agreement in writing between the parties hereto approved by the MGP Board in the case of ARLP and by the AGP Board in the case of AHGP and executed in the same manner as this Agreement, provided, that after the AHGP Unitholder Approval, no amendment shall be made that requires further AHGP Unitholder Approval without such approval.

Section 10.3 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same agreement.

Section 10.4 **Governing Law.** The laws of the State of Delaware shall govern the construction, interpretation and effect of this Agreement without giving effect to any conflicts of law principles.

Section 10.5 **Notices.** All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered if delivered in person, by cable, telegram, telex, or telecopy and shall be deemed to have been duly given three

Table of Contents

Business Days after deposit with a United States post office if delivered by registered or certified mail (postage prepaid, return receipt requested) to the respective parties hereto as follows:

if to the AHGP Parties, at

Alliance Holdings GP, L.P.
1717 South Boulder Avenue, Suite 400
Tulsa, Oklahoma 74119
Attention: R. Eberley Davis
Facsimile: (918) 295-7358

With copies to:

Vinson & Elkins LLP
1001 Fannin Street, Suite 2500
Houston, TX 77002
Attention: David P. Oelman
Facsimile: (713) 615-5548

if to the ARLP Parties, at

Alliance Resource Partners, L.P.
1717 South Boulder Avenue, Suite 400
Tulsa, Oklahoma 74119
Attention: R. Eberley Davis
Facsimile: (918) 295-7358

With copies to:

Vinson & Elkins LLP
1001 Fannin Street, Suite 2500
Houston, TX 77002
Attention: David P. Oelman
Facsimile: (713) 615-5548

Section 10.6 ***Entire Understanding; No Third Party Beneficiaries.*** This Agreement and the AHGP Unitholder Support Agreement represent the entire understanding of the parties hereto with reference to the transactions contemplated hereby and supersede any and all other oral or written agreements heretofore made. Nothing in this Agreement, expressed or implied, is intended to confer upon any person, other than the parties hereto or their respective successors, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

Section 10.7 ***Severability.*** Any provision of this Agreement which is invalid, illegal or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions hereof in such jurisdiction or rendering that or any other provision of this Agreement invalid, illegal or unenforceable in any other jurisdiction.

Section 10.8 ***Titles and Headings.*** The article, section and paragraph headings contained in this Agreement are solely for convenience of reference and shall not affect the meaning or interpretation of this Agreement or of any term or provision hereof.

Section 10.9 ***Jurisdiction.*** The parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby shall be brought in any federal court located in the State of Delaware or the Delaware Court of Chancery, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit,

Table of Contents

action or proceeding and irrevocably waives, to the fullest extent permitted by Law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in *Section 10.5* shall be deemed effective service of process on such party.

Section 10.10 *Waiver of Jury Trial.* EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 10.11 *Specific Performance.* The parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and, accordingly, that the parties shall be entitled to an injunction or injunctions to prevent any breach of this Agreement or to enforce specifically the performance of the terms and provisions hereof in any federal court located in the State of Delaware or in the Delaware Court of Chancery, in addition to any other remedy to which they are entitled at law or in equity.

Section 10.12 *Interpretation; Definitions.* When a reference is made in this Agreement to Sections, such reference shall be to a Section of this Agreement unless otherwise indicated. Whenever the words "include", "includes" or "including" are used in this Agreement they shall be deemed to be followed by the words "without limitation". The word "affiliates" when used in this Agreement shall have the meaning ascribed to such term in Rule 12b-2 under the Exchange Act. The phrase "beneficial ownership" and words of similar import when used in this Agreement shall have the meaning ascribed to it in Rule 13d-3 under the Exchange Act. The phrase "the date of this Agreement," "date hereof" and terms of similar import, unless the context otherwise requires, shall be deemed to refer to February 22, 2018. Except as otherwise expressly provided herein, all references in this Agreement to "\$" are intended to refer to U.S. dollars. All terms defined in this Agreement shall have the defined meanings when used in any certificate or other document made or delivered pursuant thereto unless otherwise defined therein. The definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such term. Any statute defined or referred to herein means such statute as from time to time amended, modified or supplemented, including by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein. References to a Person are also to its permitted successors and assigns. If an ambiguity or question of intent or interpretation arises, this Agreement must be construed as if it is drafted by all of the parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party hereto by virtue of authorship of any of the provisions of this Agreement. Except as otherwise explicitly provided in this Agreement, all references to MGP shall refer to MGP acting in its capacity as the general partner of ARLP.

Section 10.13 *Survival.* All representations, warranties, agreements and covenants contained in this Agreement shall not survive the Closing or the termination of this Agreement if this Agreement is terminated prior to the Closing; provided, however, that if the Closing occurs, the agreements of the parties in *Section 4.2*, *Section 7.7* and *Article X* shall survive the Closing, and if this Agreement is terminated prior to the Closing, the agreements of the parties in *Section 9.2*, and *Article X* shall survive such termination.

[Remainder of this page is intentionally left blank.]

Table of Contents

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in counterparts by their duly authorized officers, all as of the day and year first above written.

ALLIANCE RESOURCE PARTNERS, L.P.

By: Alliance Resource Management GP, LLC, its general partner

By: /s/ R. EBERLEY DAVIS

Name: R. Eberley Davis
Title: *Senior Vice President, General Counsel and Secretary*

ALLIANCE RESOURCE MANAGEMENT GP, LLC

By: /s/ R. EBERLEY DAVIS

Name: R. Eberley Davis
Title: *Senior Vice President, General Counsel and Secretary*

ALLIANCE RESOURCE GP, LLC

By: /s/ R. EBERLEY DAVIS

Name: R. Eberley Davis
Title: *Senior Vice President, General Counsel and Secretary*

ARM GP HOLDINGS, INC.

By: /s/ R. EBERLEY DAVIS

Name: R. Eberley Davis
Title: *Senior Vice President, General Counsel and Secretary*

MGP II, LLC

By: /s/ R. EBERLEY DAVIS

Name: R. Eberley Davis
Title: *Senior Vice President, General Counsel and Secretary*

Signature Page to the Simplification Agreement

Table of Contents

ALLIANCE HOLDINGS GP, L.P.

By: Alliance GP, LLC, its general partner

By: /s/ R. EBERLEY DAVIS

Name: R. Eberley Davis

Title: *Senior Vice President, General Counsel and Secretary*

ALLIANCE GP, LLC

By: /s/ R. EBERLEY DAVIS

Name: R. Eberley Davis

Title: *Senior Vice President, General Counsel and Secretary*

NEW AHGP GP, LLC

By: /s/ R. EBERLEY DAVIS

Name: R. Eberley Davis

Title: *Senior Vice President, General Counsel and Secretary*

Signature Page to the Simplification Agreement

Table of Contents

ANNEX B

SUPPORT AGREEMENT

B-1

Table of Contents

SUPPORT AGREEMENT

THIS SUPPORT AGREEMENT, dated as of February 22, 2018 (this "*Agreement*"), is entered into by and among Alliance Holdings GP, L.P., a Delaware limited partnership ("*AHGP*"), and the Persons whose names appear on the signature pages hereto (collectively, the "*Unitholders*", and each of the Unitholders and AHGP, each a "*party*" and collectively the "*parties*").

RECITALS

WHEREAS, concurrently herewith, AHGP, Alliance GP, LLC, a Delaware limited liability company and the general partner of AHGP ("*AGP*"), Wildcat GP Merger Sub, LLC, a Delaware limited liability company and wholly owned subsidiary of AGP ("*Merger Sub*"), MGP II, LLC, a Delaware limited liability company and the sole member of MGP (as defined below), ARM GP Holdings, Inc., a Delaware corporation and wholly owned subsidiary of AHGP, New AHGP GP, LLC, a Delaware limited liability company and wholly owned subsidiary of AGP, Alliance Resource Partners, L.P., a Delaware limited partnership ("*ARLP*"), Alliance Resource Management GP, LLC, a Delaware limited liability company and the general partner of ARLP ("*MGP*"), and Alliance Resource GP, LLC, a Delaware limited liability company, are entering into a Simplification Agreement (as it may be amended from time to time, the "*Simplification Agreement*"), pursuant to which (and subject to the terms and conditions set forth therein), among other things, (a) AHGP would become a wholly owned subsidiary of ARLP and (b) all of the outstanding common units of AHGP would be cancelled and converted into the right to receive all of the common units of ARLP currently held by AHGP and its subsidiaries;

WHEREAS, as of the date hereof, each Unitholder is the Record Holder or Beneficial Owner of, and has either sole or shared voting power over, the number of AHGP Common Units set forth opposite such Unitholder's name on *Schedule A* hereto (the "*Existing Units*");

WHEREAS, as a condition and inducement to AHGP's willingness to enter into the Simplification Agreement and to proceed with the transactions contemplated thereby, AHGP and the Unitholders are entering into this Agreement; and

WHEREAS, the Unitholders acknowledge that AHGP is entering into the Simplification Agreement in reliance on the representations, warranties, covenants and other agreements of the Unitholders set forth in this Agreement and would not enter into the Simplification Agreement if the Unitholders did not enter into this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, AHGP and the Unitholders hereby agree as follows:

1. *Defined Terms.* The following capitalized terms, as used in this Agreement, shall have the meanings set forth below. Capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the Simplification Agreement.

"*AHGP GP Interest*" means the "General Partner Interest," as such term is defined in the AHGP Partnership Agreement.

"*Beneficially Own*", "*Beneficial Owner*" or "*Beneficial Ownership*" has the meaning (or the correlative meaning, as applicable) set forth in Rule 13d-3 and Rule 13d-5(b)(1) of the rules and regulations promulgated under the Exchange Act.

Table of Contents

"Covered Units" means, with respect to each Unitholder, such Unitholder's Existing Units, together with any AHGP Common Units that such Unitholder becomes the Record Holder or Beneficial Owner of on or after the date hereof.

"Proxy Designee" means a Person designated by the AGP Board by written notice to each of the parties, which notice may simultaneously revoke the designation of any Person as a Proxy Designee.

"Record Holder" has the meaning ascribed thereto in the AHGP Partnership Agreement.

"Transfer" means, directly or indirectly, to sell, transfer, assign, pledge, encumber or similarly dispose of (by merger (including by conversion into securities or other consideration), by tendering into any tender or exchange offer, by testamentary disposition, by operation of law or otherwise), either voluntarily or involuntarily, or to enter into any contract, option or other arrangement or understanding with respect to the voting of or sale, transfer, assignment, pledge, encumbrance or similar disposition of (by merger, by tendering into any tender or exchange offer, by testamentary disposition, by operation of law or otherwise); *provided* that, for the avoidance of doubt, a Transfer shall not include any existing or future pledges or security interests issued by any of the Unitholders in connection with a bona fide loan.

2. *Agreement to Deliver Written Consent.* Prior to the Termination Date (as defined herein), each Unitholder irrevocably and unconditionally agrees that it shall (a) within two (2) Business Days after the Registration Statement becomes effective under the Securities Act (but, for the avoidance of doubt, not until such Registration Statement becomes effective), deliver (or cause to be delivered) a written consent pursuant to Section 14.3 of the AHGP Partnership Agreement covering all of the Covered Units approving (in all manners and by each applicable class) the Simplification Agreement and any other matters necessary for consummation of the transactions contemplated in the Simplification Agreement and (b) at any meeting of the limited partners of AHGP (whether annual or special and whether or not an adjourned or postponed meeting), however called, appear at such meeting or otherwise cause the Covered Units to be counted as present thereat for purpose of establishing a quorum and vote (or consent), or cause to be voted at such meeting (or validly execute and return and cause such consent to be granted with respect to), all Covered Units (in all manners and by each applicable class) (i) in favor of the Simplification Agreement and any other matter necessary for the consummation of the transactions contemplated by the Simplification Agreement, and (ii) against (A) any action or agreement that would result in a breach of any covenant, representation or warranty or any other obligation or agreement of AHGP or any Subsidiary of AHGP contained in the Simplification Agreement and (B) any other action that could reasonably be expected to impede, interfere with, delay, postpone or adversely affect any of the transactions contemplated by the Simplification Agreement or this Agreement. If a Unitholder is the Beneficial Owner, but not the Record Holder, of any Covered Units, the Unitholder agrees to take all actions necessary to cause the Record Holder and any nominees to vote (or exercise a consent with respect to) all of such Covered Units in accordance with this *Section 2*. Except as otherwise set forth in or contemplated by this Agreement, each Unitholder may vote the Covered Units in its discretion on all matters submitted for the vote of unitholders of AHGP or in connection with any written consent of AHGP's unitholders in a manner that is not inconsistent with the terms of this Agreement.

3. *Grant of Irrevocable Proxy; Appointment of Proxy.*

(a) FROM AND AFTER THE DATE HEREOF UNTIL THE TERMINATION DATE, THE UNITHOLDERS EACH HEREBY IRREVOCABLY AND UNCONDITIONALLY GRANTS TO, AND APPOINTS, BRIAN L. CANTRELL AND CARY MARSHALL, AND ANY OTHER PROXY DESIGNEE (AS DEFINED ABOVE), EACH OF THEM INDIVIDUALLY, AS THE UNITHOLDERS' PROXY AND ATTORNEY-IN-FACT (WITH FULL POWER OF SUBSTITUTION) TO VOTE (OR EXERCISE A WRITTEN CONSENT WITH RESPECT TO) THE COVERED UNITS SOLELY IN ACCORDANCE WITH *SECTION 2*. THIS PROXY IS

Table of Contents

IRREVOCABLE (UNTIL THE TERMINATION DATE AND EXCEPT AS TO ANY PROXY DESIGNEE WHOSE DESIGNATION AS A PROXY DESIGNEE IS REVOKED BY THE AGP BOARD) AND COUPLED WITH AN INTEREST AND EACH UNITHOLDER WILL TAKE SUCH FURTHER ACTION OR EXECUTE SUCH OTHER INSTRUMENTS AS MAY BE NECESSARY TO EFFECTUATE THE INTENT OF THIS PROXY AND HEREBY REVOKES ANY OTHER PROXY PREVIOUSLY GRANTED BY THE UNITHOLDERS WITH RESPECT TO THE COVERED UNITS (AND EACH UNITHOLDER HEREBY REPRESENTS TO AHGP THAT ANY SUCH OTHER PROXY IS REVOCABLE).

(b) The proxy granted in this *Section 3* shall automatically expire upon the termination of this Agreement.

4. *No Inconsistent Agreements.* Each Unitholder hereby represents, covenants and agrees that, except as contemplated by this Agreement, it (a) has not entered into, and shall not enter into at any time prior to the Termination Date, any voting agreement or voting trust with respect to any Covered Units and (b) has not granted, and shall not grant at any time prior to the Termination Date, a proxy or power of attorney with respect to any Covered Units, in either case, that is inconsistent with the Unitholder's obligations pursuant to this Agreement.

5. *Termination.* This Agreement shall terminate upon the earliest of (a) the Effective Time, (b) the termination of the Simplification Agreement in accordance with its terms and (c) the mutual written agreement of the parties to terminate this Agreement (such earliest date being referred to herein as the "*Termination Date*"); *provided* that the provisions set forth in *Sections 12 to 20* shall survive the termination of this Agreement; *provided further* that any liability incurred by any party as a result of a breach of a term or condition of this Agreement prior to such termination shall survive the termination of this Agreement.

6. *Certain Covenants of the Unitholders.* Each Unitholder hereby covenants and agrees as follows, in each case except as otherwise approved in writing by AHGP:

(a) Prior to the Termination Date, and except as contemplated hereby, no Unitholder shall (i) Transfer, or enter into any contract, option, agreement or other arrangement or understanding with respect to the Transfer of any of the Covered Units or Beneficial Ownership or voting power thereof or therein (including by operation of law), (ii) grant any proxies or powers of attorney, deposit any Covered Units into a voting trust or enter into a voting agreement with respect to any Covered Units or (iii) knowingly take any action that would make any representation or warranty of any Unitholder contained herein untrue or incorrect or have the effect of preventing or disabling any Unitholder from performing its obligations under this Agreement; *provided* that the foregoing shall not include or prohibit pledges or security interests (or the foreclosure thereof) relating to existing or future bona fide loans that do not prevent or disable any Unitholder from performing its obligations under this Agreement. Any Transfer in violation of this provision shall be void.

(b) Prior to the Termination Date, in the event that a Unitholder becomes the Record Holder or acquires Beneficial Ownership of, or the power to vote or direct the voting of, any additional AHGP Common Units or other voting interests with respect to AHGP, such Unitholder will promptly notify AHGP of such AHGP Common Units or voting interests, such AHGP Common Units or voting interests shall, without further action of the parties, be deemed Covered Units and subject to the provisions of this Agreement, and the number of AHGP Common Units held by the Unitholder set forth on *Schedule A* hereto will be deemed amended accordingly and such AHGP Common Units or voting interests shall automatically become subject to the terms of this Agreement.

Table of Contents

7. *Transfer Agent.* Each Unitholder hereby authorizes AHGP or its counsel to notify AHGP's transfer agent that there is a stop transfer order with respect to all Covered Units (and that this Agreement places limits on the voting and Transfer of such Covered Units); *provided, however,* that AHGP or its counsel will further notify AHGP's transfer agent to lift and vacate the stop transfer order with respect to the Covered Units on the earlier of (a) the date on which the written consent of the Unitholder is delivered in accordance with *Section 2* and (b) the Termination Date.

8. *Unitholder Capacity.* This Agreement is being entered into by the Unitholders solely in their capacity as Record Holders or Beneficial Owners of AHGP Common Units, and nothing in this Agreement shall restrict or limit the ability of the Unitholders or any Affiliate or any employee thereof who is a director or officer of AHGP or AGP to take any action in his or her capacity as a director or officer of AHGP or AGP to the extent specifically permitted by the Simplification Agreement.

9. *Disclosure.* The Unitholders hereby authorize AHGP to publish and disclose in any announcement or disclosure required by the SEC and in the Consent Statement the Unitholder's identity and ownership of the Covered Units and the nature of the Unitholders' obligations under this Agreement.

10. *No Ownership Interest.* Nothing contained in this Agreement shall be deemed to vest in AHGP any direct or indirect ownership or incidence of ownership of or with respect to any Covered Units. All rights, ownership and economic benefit relating to the Covered Units shall remain vested in and belong to the Unitholders, and AHGP shall have no authority to direct the Unitholders in the voting or disposition of any of the Covered Units, except as otherwise provided herein.

11. *Non Survival of Representations and Warranties.* The representations and warranties of the Unitholders contained herein shall not survive the closing of the transactions contemplated hereby and by the Simplification Agreement.

12. *Amendment and Modification.* Subject to the provisions of the applicable Laws, at any time prior to the Effective Time, the parties may modify or amend this Agreement, by written agreement of the parties.

13. *Waiver.* The failure of any party to assert any of its rights hereunder or under applicable Law shall not constitute a waiver of such rights and, except as otherwise expressly provided herein, no single or partial exercise by any party of any of its rights hereunder precludes any other or further exercise of such rights or any other rights hereunder or under applicable Law.

14. *Notices.* Any notice, request, instruction or other document to be given hereunder by any party to the others shall be in writing and delivered personally or sent by registered or certified mail, postage prepaid, by facsimile, email or overnight courier:

(i) If to the Unitholders:

c/o Alliance Holdings GP, L.P.
1717 South Boulder Avenue, Suite 400
Tulsa, Oklahoma 74119
Attn: R. Eberley Davis
Telephone: (918) 295-1415
Facsimile: (918) 295-7358
Email: Eb.Davis@arlp.com

Table of Contents

With a copy to:

Vinson & Elkins L.L.P.
1001 Fannin St, Suite 2500
Houston, Texas 77002
Attn: David P. Oelman
Telephone: (713) 758-3708
Facsimile: (713) 615-5861
Email: doelman@velaw.com

(ii) If to AHGP:

Alliance Holdings GP, L.P.
1717 South Boulder Avenue, Suite 400
Tulsa, Oklahoma 74119
Attn: R. Eberley Davis
Telephone: (918) 295-1415
Facsimile: (918) 295-7358
Email: Eb.Davis@arlp.com

With a copy to:

Vinson & Elkins L.L.P.
1001 Fannin St, Suite 2500
Houston, Texas 77002
Attn: David P. Oelman
Telephone: (713) 758-3708
Facsimile: (713) 615-5861
Email: doelman@velaw.com

15. *Entire Agreement.* This Agreement and the Simplification Agreement (including any exhibits thereto) constitute the entire agreement and supersede all other prior agreements, understandings, representations and warranties both written and oral, among the parties, with respect to the subject matter hereof.

16. *No Third-Party Beneficiaries.* Nothing in this Agreement, express or implied, is intended to or shall confer upon any Person other than the parties and their respective successors and permitted assigns any legal or equitable right, benefit or remedy of any nature under or by reason of this Agreement.

17. *GOVERNING LAW AND VENUE.* THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN AND IN ALL RESPECTS SHALL BE INTERPRETED, CONSTRUED AND GOVERNED BY AND IN ACCORDANCE WITH THE LAW OF THE STATE OF DELAWARE WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES THEREOF TO THE EXTENT THAT SUCH PRINCIPLES WOULD DIRECT A MATTER TO ANOTHER JURISDICTION.

18. *Assignment; Successors.* This Agreement shall not be assignable by operation of law or otherwise; *provided, however,* that AHGP may assign all or any of its rights and obligations hereunder to any direct or indirect wholly owned Subsidiary of AHGP; *provided further* that no assignment shall limit the assignor's obligations hereunder. Subject to the preceding sentence, this Agreement will be binding upon, inure to the benefit of, and be enforceable by, the parties and their respective successors and assigns. Any purported assignment in violation of this Agreement shall be null and void.

19. *Severability.* The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions

Table of Contents

hereof. If any provision of this Agreement, or the application of such provision to any Person or any circumstance, is invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application of such provision, in any other jurisdiction.

20. *Counterparts.* This Agreement may be executed in any number of counterparts, each such counterpart being deemed to be an original instrument, and all such counterparts shall together constitute the same agreement.

[The remainder of this page is intentionally left blank.]

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Table of Contents

IN WITNESS WHEREOF, AHGP, and the Unitholders have caused to be executed or executed this Agreement as of the date first written above.

ALLIANCE HOLDINGS GP, L.P.

By: Alliance GP, LLC, its general partner

By /s/ R. EBERLEY DAVIS

Name: R. Eberley Davis
Title: *Senior Vice President, General Counsel and Secretary*

UNITHOLDERS:

JOSEPH W. CRAFT III

By /s/ JOSEPH W. CRAFT III

Joseph W. Craft III
As Trustee of the JWC III Rev Trust

ALLIANCE MANAGEMENT HOLDINGS III, LLC

By /s/ JOSEPH W. CRAFT III

Name: Joseph W. Craft III
Title: *Director*

KATHLEEN S. CRAFT

By /s/ KATHLEEN S. CRAFT

Kathleen S. Craft
As Trustee of the Kathleen S. Craft Revocable Trust

[Signature Page to Support Agreement]

Table of Contents

ELAINE R. GUILFOYLE

By /s/ ELAINE R. GUILFOYLE

Elaine R. Guilfoyle

As Co-Trustee under (i) the Joseph W. Craft III 2006 Irrevocable Trust FBO Joseph W. Craft IV dated February 27, 2006; (ii) the Joseph W. Craft III 2006 Irrevocable Trust FBO Caroline B. Fiddes dated February 27, 2006; (iii) the Joseph W. Craft III 2006 Irrevocable Trust FBO Ryan E. Craft dated February 27, 2006; (iv) the Joseph W. Craft III 2006 Irrevocable Trust FBO Kyle O. Craft dated February 27, 2006; (v) the Joseph W. Craft III Grantor Retained Annuity Trust FBO Joseph W. Craft IV U/A Dated February 27, 2006; (vi) the Joseph W. Craft III Grantor Retained Annuity Trust FBO Caroline B. Fiddes U/A Dated February 27, 2006; (vii) the Joseph W. Craft III Grantor Retained Annuity Trust FBO Ryan E. Craft U/A Dated February 27, 2006; and (viii) the Joseph W. Craft III Grantor Retained Annuity Trust FBO Kyle O. Craft U/A Dated February 27, 2006

DALE G. WILKERSON

By /s/ DALE G. WILKERSON

Dale G. Wilkerson

As Co-Trustee under (i) the Joseph W. Craft III 2006 Irrevocable Trust FBO Joseph W. Craft IV dated February 27, 2006; (ii) the Joseph W. Craft III 2006 Irrevocable Trust FBO Caroline B. Fiddes dated February 27, 2006; (iii) the Joseph W. Craft III 2006 Irrevocable Trust FBO Ryan E. Craft dated February 27, 2006; (iv) the Joseph W. Craft III 2006 Irrevocable Trust FBO Kyle O. Craft dated February 27, 2006; (v) the Joseph W. Craft III Grantor Retained Annuity Trust FBO Joseph W. Craft IV U/A Dated February 27, 2006; (vi) the Joseph W. Craft III Grantor Retained Annuity Trust FBO Caroline B. Fiddes U/A Dated February 27, 2006; (vii) the Joseph W. Craft III Grantor Retained Annuity Trust FBO Ryan E. Craft U/A Dated February 27, 2006; and (viii) the Joseph W. Craft III Grantor Retained Annuity Trust FBO Kyle O. Craft U/A Dated February 27, 2006

[Signature Page to Support Agreement]

Table of Contents

A. WELLFORD TABOR

By /s/ A. WELLFORD TABOR

A. Wellford Tabor

As Co-Trustee under (i) the Joseph W. Craft III 2006 Irrevocable Trust FBO Joseph W. Craft IV dated February 27, 2006; (ii) the Joseph W. Craft III 2006 Irrevocable Trust FBO Caroline B. Fiddes dated February 27, 2006; (iii) the Joseph W. Craft III 2006 Irrevocable Trust FBO Ryan E. Craft dated February 27, 2006; (iv) the Joseph W. Craft III 2006 Irrevocable Trust FBO Kyle O. Craft dated February 27, 2006; (v) the Joseph W. Craft III Grantor Retained Annuity Trust FBO Joseph W. Craft IV U/A Dated February 27, 2006; (vi) the Joseph W. Craft III Grantor Retained Annuity Trust FBO Caroline B. Fiddes U/A Dated February 27, 2006; (vii) the Joseph W. Craft III Grantor Retained Annuity Trust FBO Ryan E. Craft U/A Dated February 27, 2006; and (viii) the Joseph W. Craft III Grantor Retained Annuity Trust FBO Kyle O. Craft U/A Dated February 27, 2006

ALLIANCE RESOURCE GP, LLC

By /s/ R. EBERLEY DAVIS

Name: R. Eberley Davis

Title: *Senior Vice President, General Counsel and Secretary*

[Signature Page to Support Agreement]

Table of Contents**SCHEDULE A**

Unitholder	Existing Units
Joseph W. Craft III, as trustee of the JWC III Rev Trust	<i>AHGP Common Units: 2,463,449</i>
Alliance Management Holdings III, LLC	<i>AHGP Common Units: 315,941</i>
Kathleen S. Craft, as trustee of the Kathleen S. Craft Revocable Trust	<i>AHGP Common Units: 1,998,250</i>
Elaine R. Guilfoyle Dale G. Wilkerson A. Wellford Tabor, as co-trustees	<i>AHGP Common Units: 5,725,467</i> (Beneficially Owned as co-trustees under (i) the Joseph W. Craft III 2006 Irrevocable Trust FBO Joseph W. Craft IV dated February 27, 2006; (ii) the Joseph W. Craft III 2006 Irrevocable Trust FBO Caroline B. Fiddes dated February 27, 2006; (iii) the Joseph W. Craft III 2006 Irrevocable Trust FBO Ryan E. Craft dated February 27, 2006; (iv) the Joseph W. Craft III 2006 Irrevocable Trust FBO Kyle O. Craft dated February 27, 2006; (v) the Joseph W. Craft III Grantor Retained Annuity Trust FBO Joseph W. Craft IV U/A Dated February 27, 2006; (vi) the Joseph W. Craft III Grantor Retained Annuity Trust FBO Caroline B. Fiddes U/A Dated February 27, 2006; (vii) the Joseph W. Craft III Grantor Retained Annuity Trust FBO Ryan E. Craft U/A Dated February 27, 2006; and (viii) the Joseph W. Craft III Grantor Retained Annuity Trust FBO Kyle O. Craft U/A Dated February 27, 2006
Alliance Resource GP, LLC	<i>AHGP Common Units: 20,641,168</i>

Table of Contents

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers.

Alliance Resource Partners, L.P.

Section 17-108 of the DRULPA empowers a Delaware limited partnership to indemnify and hold harmless any partner or other person from and against all claims and demands whatsoever. The ARLP partnership agreement provides that ARLP will indemnify and hold harmless (to the fullest extent permitted by applicable law) certain persons (each, an "Indemnitee") from and against any and all losses, claims, damages, liabilities, joint or several, expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements or other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as an Indemnitee. This indemnity is available only if the Indemnitee acted in good faith and in a manner that such Indemnitee reasonably believed to be in, or (in the case of a person other than MGP) not opposed to, the best interests of ARLP and, with respect to any criminal proceeding, had no reasonable cause to believe its conduct was unlawful. Indemnitees include (i) any general partner of ARLP, (ii) any departing general partner, (iii) any person who is or was an affiliate of a general partner or any departing general partner, (iv) any person who is or was a member, partner, officer, director, employee, agent or trustee of ARLP or its subsidiaries, a general partner or any departing general partner or any affiliate of any of ARLP or its subsidiaries, general partner or any departing general partner and (v) any person who is or was serving at the request of a general partner or any departing general partner or any affiliate of a general partner or any departing general partner as an officer, director, employee, member, partner, agent, fiduciary or trustee of another person. To the fullest extent permitted by law, expenses (including legal fees and expenses) subject to indemnity will be paid by ARLP to the Indemnitee in advance, subject to receipt of an undertaking by or on behalf of the Indemnitee to repay such amount if it is ultimately determined that the Indemnitee is not entitled to indemnification as authorized by the ARLP partnership agreement. ARLP may purchase and maintain a liability insurance policy on behalf of certain of the Indemnitees.

Alliance Resource Management GP, LLC

Section 18-108 of the Delaware Limited Liability Company Act (the "DLLCA") provides that, subject to such standards and restrictions, if any, as are set forth in its limited liability company agreement, a limited liability company may, and shall have the power to, indemnify and hold harmless any member or manager or other person from and against any and all claims and demands whatsoever. The limited liability company agreement of MGP, the general partner of ARLP, provides that MGP will indemnify and hold harmless, to the full extent authorized by the DLLCA, any person who is or was an officer or employee of MGP or is or was serving at the request of MGP as a director, officer, employee or agent of another company or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan, from liabilities arising by reason of such person's status. Such liabilities include all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such indemnitee. Officers and directors of MGP are also indemnified by ARLP as described above.

Item 21. Exhibits and Financial Statement Schedules

A list of exhibits included as part of this registration statement is set forth in the Exhibit Index which is hereby incorporated by reference.

Table of Contents

Item 22. Undertakings

The undersigned registrant hereby undertakes:

(a) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(1) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(2) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(3) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

(b) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(d) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(e) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities: The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

Table of Contents

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(f) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(g) The undersigned registrant hereby undertakes to deliver or cause to be delivered with the prospectus, to each person to whom the prospectus is sent or given, the latest annual report to security holders that is incorporated by reference in the prospectus and furnished pursuant to and meeting the requirements of Rule 14a-3 or Rule 14c-3 under the Securities Exchange Act of 1934; and, where interim financial information required to be presented by Article 3 of Regulation S-X are not set forth in the prospectus, to deliver, or cause to be delivered to each person to whom the prospectus is sent or given, the latest quarterly report that is specifically incorporated by reference in the prospectus to provide such interim financial information.

(h) That prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the registrant undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

(i) That every prospectus (i) that is filed pursuant to paragraph (h) above, or (ii) that purports to meet the requirements of section 10(a)(3) of the Securities Act of 1933 and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment has become effective, and that for the purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(j) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

Table of Contents

(k) To respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11 or 13 of this Form S-4, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

(l) To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

Table of Contents

INDEX TO EXHIBITS

Exhibit Number	Description
2.1	<u>Simplification Agreement, dated as of February 22, 2018, by and among Alliance Holdings GP, L.P., Alliance GP, LLC, Wildcat GP Merger Sub, LLC, MGP II, LLC, ARM GP Holdings, Inc., New AHGP GP, LLC, Alliance Resource Partners, L.P., Alliance Resource Management GP, LLC and Alliance Resource GP, LLC (included as Annex A to the Consent Statement/Prospectus that forms a part of this Registration Statement on Form S-4).</u>
3.1	<u>Fourth Amended and Restated Agreement of Limited Partnership of Alliance Resource Partners, L.P., dated as of July 28, 2017 (incorporated by reference to Exhibit 3.2 of the registrant's Current Report on Form 8-K (File No. 000-26823) filed on July 28, 2017).</u>
3.2	<u>Amendment No. 1 to the Fourth Amended and Restated Agreement of Limited Partnership of Alliance Resource Partners, L.P., dated as of February 22, 2018 (incorporated by reference to Exhibit 3.9 of the registrant's Annual Report on Form 10-K (File No. 000-26823) filed on February 23, 2018).</u>
3.3	<u>Amended and Restated Certificate of Limited Partnership of Alliance Resource Partners, L.P., dated as of July 28, 2017 (incorporated by reference to Exhibit 3.6 of the registrant's Current Report on Form 8-K (File No. 000-26823) filed on July 28, 2017).</u>
3.4	<u>Certificate of Formation of Alliance Resource Management GP, LLC, dated as of June 28, 1999 (incorporated by reference to Exhibit 3.7 of the registrant's Registration Statement on Form S-1/A (File No. 333-78845) filed on July 23, 1999).</u>
3.5	<u>Second Amended and Restated Operating Agreement of Alliance Resource Management GP, LLC, dated as of July 28, 2017 (incorporated by reference to Exhibit 3.3 of the registrant's Current Report on Form 8-K (File No. 000-26823) filed on July 28, 2017).</u>
5.1	<u>Opinion of Vinson & Elkins L.L.P. as to the legality of the securities being registered.</u>
8.1	<u>Opinion of Vinson & Elkins L.L.P. as to certain tax matters.</u>
10.1	<u>Support Agreement, dated as of February 22, 2018, by and among Alliance Holdings GP, L.P. and the unitholders named therein (included as Annex B to the Consent Statement/Prospectus that forms a part of this Registration Statement on Form S-4).</u>
21.1	<u>List of Subsidiaries (incorporated by reference to Exhibit 21.1 of the registrant's Annual Report on Form 10-K (File No. 000-26823) filed on February 23, 2018).</u>
23.1	<u>Consent of Ernst & Young LLP.</u>
23.2	<u>Consent of Ernst & Young LLP.</u>
23.3	<u>Consent of Vinson & Elkins L.L.P. (contained in Exhibit 5.1 hereto).</u>
24.1	<u>Power of Attorney (included in the signature page to this Registration Statement).</u>
99.1	<u>Form of Written Consent for Alliance Holdings GP, L.P. Unitholders</u>

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement on Form S-4 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Tulsa, State of Oklahoma, on the 29th day of March, 2018.

ALLIANCE RESOURCE PARTNERS, L.P.

By: Alliance Resource Management GP, LLC
its general partner

/s/ JOSEPH W. CRAFT III

Name: Joseph W. Craft III
Title: *President, Chief Executive Officer and Director*

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints each of R. Eberley Davis, Brian L. Cantrell and Joseph W. Craft III, acting alone or together with another attorney-in-fact, as his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for such person and in his or her name, place and stead, in any and all capacities, to sign any or all further amendments (including post-effective amendments) to this registration statement (and any additional registration statement related hereto permitted by Rule 462(b) promulgated under the Securities Act of 1933 (and all further amendments, including post-effective amendments, thereto)), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement on Form S-4 has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ JOSEPH W. CRAFT III</u> Joseph W. Craft III	President, Chief Executive Officer and Director (Principal Executive Officer)	March 29, 2018
<u>/s/ BRIAN L. CANTRELL</u> Brian L. Cantrell	Senior Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	March 29, 2018
<u>/s/ NICK CARTER</u> Nick Carter	Director	March 29, 2018

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Table of Contents

Signature	Title	Date
<hr/> <i>/s/ JOHN P. NEAFSEY</i> John P. Neafsey	Chairman of the Board	March 29, 2018
<hr/> <i>/s/ JOHN H. ROBINSON</i> John H. Robinson	Director	March 29, 2018
<hr/> <i>/s/ WILSON M. TORRENCE</i> Wilson M. Torrence	Director	March 29, 2018
<hr/> <i>/s/ CHARLES R. WESLEY</i> Charles R. Wesley	Executive Vice President and Director	March 29, 2018