

EXHIBIT B

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is between the United Mine Workers of America, International Union (“Union”), on behalf of itself and its members, and Patriot Coal Corporation (“Patriot”), on behalf of itself and as authorized agent for each of its subsidiaries that is signatory to a 2013 Coal Wage Agreement with the Union (the “Signatory Companies”).

WHEREAS, in July 2012, Patriot and its subsidiaries (“Debtors”) filed for protection under Chapter 11 of the Bankruptcy Code, and

WHEREAS, by Order dated May 29, 2013 (“Order”), the Bankruptcy Court granted the Debtors’ Section 1113 Motion (“Motion”), which requested authority to implement significant changes in the terms and conditions of the Signatory Companies’ pre-filing Wage Agreements with the Union (the “Pre-Filing Wage Agreements”), and

WHEREAS, subsequent to the Order, the Signatory Companies and the Union engaged in extensive negotiations to reach consensual labor agreements, and

WHEREAS, the Union and each of the Signatory Companies have agreed to new labor contracts (the “2013 Wage Agreements”) having an effective date (“the Effective Date”) of June 30, 2013, and

WHEREAS, the 2013 Wage Agreements contain terms and conditions that (i) differ in material respects from those in their Pre-Filing Wage Agreements, and (ii) differ in material respects from the terms and conditions set forth in the Motion and approved in the Order, and

WHEREAS, the Union and the Signatory Companies agree that the cooperation and participation of Patriot is important and necessary in order to facilitate and implement certain agreements and understandings arrived at during negotiations for the 2013 Wage Agreements, and

WHEREAS, Patriot deems it to be in the best interest of itself and each of the Debtors to facilitate the Signatory Companies obtaining consensual labor agreements in order to secure a timely Plan of Reorganization and to expedite the emergence of all Debtors from bankruptcy, and

WHEREAS, the Signatory Companies and the Union will enter into that certain Agreement to Fund the VEBA (the “VEBA Funding Agreement”), which obligates Patriot and the Signatory Companies to fund the VEBA.

NOW, THEREFORE, in recognition of the foregoing, the Union and Patriot on behalf of each Signatory Company, agree as follows.

1. Each of the Signatory Companies to a 2013 Wage Agreement that requires participation in and contributions to the UMWA 1974 Pension Plan will contribute to the 1974 Pension Plan at the rates set forth in the successor to the National Bituminous Coal Wage Agreement of 2011 (“2011 NBCWA”), if any, for the years 2017 and 2018. The parties acknowledge that the Union has made certain representations to Patriot as set forth in that letter agreement regarding the UMWA Pension Plan by and between Cecil E. Roberts and Bennett K. Hatfield, dated June 30, 2013, which is incorporated by reference herein.

2. Each Signatory Company that is signatory to a 2013 Wage Agreement that includes Article XX Section (h), agrees to be bound to the UMWA 1974 Pension Plan guarantee set forth therein for 2017 and 2018, provided such guarantee is renewed in the successor to the 2011 NBCWA and is in effect for 2017 and 2018.

3. During the term of the 2013 Wage Agreements, Patriot will ensure that any new mining operation(s) initiated at permit S-40005-08 (Huff Creek Surface), permit S-50005-11 (Buck Fork Surface), permit U-3007-12 (Flying Eagle Underground), permit S-5018-09 (Buffalo Mountain Surface) and/or permit S-5019-08 (Stanley Fork Surface) (“the Designated Operations”) will be undertaken by Gateway Eagle Coal Company (“Gateway”). Patriot and

Gateway specifically agree that during the term of the 2013 Wage Agreements, employment opportunities at the Designated Operations will first be offered to UMWA-represented employees who are working at or laid off from the Signatory Companies. The parties agree that Gateway's 2013 Wage Agreement will apply at the Designated Operations to the widest extent permitted by law. The agreements and undertakings set forth in this paragraph are for the term of the 2013 Wage Agreements only, and are not applicable to or at operations initiated by Patriot or any Patriot subsidiary at any other location. The parties further agree that, at Designated Operations where the Union must first obtain proof of support from a representative complement of employees demonstrating that a majority of such employees desire to be represented by the Union for purposes of collective bargaining:

- (i) Patriot and Gateway agree and ensure that they and their affiliates will remain neutral with regard to the question whether employees at the Designated Operations wish to be represented by the Union. Patriot and Gateway will ensure that they and their supervisors, managerial employees, and any other representatives will refrain from campaigning or attempting to influence employees' choice on the question of unionization, leaving that choice to the employees themselves to decide. Patriot and Gateway agree that they will not discriminate against, interfere with, restrain, or coerce employees regarding their support for the Union or activities on behalf of the Union at the Designated Operations.
- (ii) Gateway will provide Union representatives with access to non-production areas of the mine property at reasonable times for the purpose of meeting with and speaking to classified employees during their non-work time.
- (iii) Gateway will recognize the Union as the authorized representative of employees engaged in work of a classified nature (as defined in Gateway's 2013 Wage Agreement) at the Designated Operation upon showing of proof of support to a District Arbitrator selected pursuant to Article XXIII of Gateway's Wage Agreement reflecting that a majority of employees at a Designated Operation desire to be represented by the Union. The parties agree that upon written

request from the Union for recognition based on this procedure, the parties will arrange for verification by the District Arbitrator as soon as reasonably possible, and in any event no later than 20 calendar days after the date of such request. Gateway agrees that for the purpose of verifying majority status of the Union, it will provide the Arbitrator with a list of the names of all employees in the appropriate bargaining unit, one or more documents bearing the clear signature of each such employee, and such other information as the Arbitrator may reasonably require to verify the Union's claim of majority status. The identity of any individual indicating support for the Union shall not be disclosed to any person other than the District Arbitrator.

(iv) Any disputes regarding the above provisions shall be submitted to the District Arbitrator. The District Arbitrator's decision on all matters, including the demonstration of majority support, shall be final and binding.

(v) In order to minimize labor strife and maximize efficient operations, the parties agree that in negotiations for a labor agreement for a Designated Operation the parties will ensure a level of wages, benefits and other significant terms and conditions of employment that are substantially equivalent to those contained in Gateway's 2013 Wage Agreement, and the Union agrees that it will not demand that Gateway contribute to or participate in any multiemployer plan or trust, including those administered by the UMWA Health and Retirement Funds.

4. Patriot agrees that it will be responsible for conducting on behalf of each Signatory Company the wage reopener arbitration provided for in the 2013 Wage Agreements, in accordance with the MOU Regarding Wage Reopener Arbitration, which is appended as Attachment 1 to this MOU and is incorporated by reference herein.

5. Promptly following execution of the 2013 Wage Agreements, and prior to ratification by the Employees covered thereunder, the Union and the Debtors will take all necessary and appropriate steps to suspend the appeal of the Bankruptcy Court's May 29, 2013 Order approving the Motion, currently pending before the U.S. District Court for the Eastern

District of Missouri in Case No. 4:13cv-01086-CEJ (the “1113/1114 Appeal”). The Union further agrees that within two business days after the latest of (i) ratification of the 2013 Wage Agreements by the Employees covered thereunder; (ii) approval of the 2013 Wage Agreements by the Bankruptcy Court or, (iii) receipt of the entire amount of the Initial Investor Payment (as such term shall be defined in the VEBA Funding Agreement) to the VEBA, the Union will dismiss the 1113/1114 Appeal with prejudice.

6. A Litigation Trust will be established on or before Patriot’s emergence from Chapter 11 (the “Litigation Trust”) to pursue claims or causes of action for, or on behalf of Patriot and/or its subsidiaries and affiliates against Peabody Energy Corporation or Arch Coal, Inc., or any of these entities’ predecessors, successors, affiliates, subsidiaries, joint ventures, owners, directors, managers, or advisors. Patriot will make a contribution of two million dollars (\$2,000,000) to the Litigation Trust upon Patriot’s emergence from bankruptcy. With the exception of the claims and causes of action Patriot has pledged to commence or pursue in Article XX of the Signatory Companies’ 2013 Wage Agreements, all rights to commence and pursue, as appropriate, any and all such claims or causes of action for, or on behalf of Patriot and/or its subsidiaries and affiliates, whether arising before or after the Petition Date shall vest in the Litigation Trust and be pursued by the Litigation Trustee. Creation of the Litigation Trust will not prohibit the UMWA, the UMWA 1974 Pension Plan and Trust or any other party-in-interest from separately pursuing claims against third parties.

A five person Oversight Committee (the “Litigation Trust Committee”) will be established to oversee the Litigation Trust and serve as or appoint the Litigation Trustee. The Litigation Trust Committee will consist of three members appointed by the UMWA and two members appointed by the Committee of Unsecured Creditors. Net proceeds of any judgment, settlement or other recovery obtained in an action brought by the Litigation Trust shall be distributed as follows: 20% to Reorganized Patriot; and, 80% to unsecured creditors, until such creditors receive 100% recovery plus interest, with any net residual proceeds after unsecured creditors have been paid 100% plus interest to be distributed to Patriot shareholders. Provided, however, that 100% of the net proceeds of any judgment, settlement or other recovery obtained in an action involving the obligation to provide UMWA retiree healthcare benefits shall be distributed entirely to the VEBA for healthcare, unless such proceeds would constitute a double-

recovery, in which case any such proceeds would be distributed in the manner described in the preceding sentence.

7. The Union and the Signatory Companies agree that any change in the 2013 Wage Agreements to the manner in which terms identifying the parties (such as “Signatory Employer” or “Employers”) were used in the Signatory Companies’ Pre-Filing Wage Agreements is solely for the purpose of grammatical clarity. Such changes are not intended to change or alter any obligation the Union, Signatory Companies or Patriot would have under the Pre-Filing Wage Agreements. The parties agree that neither such changes nor anything else in the 2013 Wage Agreement shall in any way modify the existing status of any relationship (e.g., whether or not that relationship is single employer, joint employer, alter ego, successor or other similar relationship) between and/or among the Signatory Companies and Patriot as reflected in their Pre-Filing Wage Agreements.

8. Subject to paragraph 7, the Union agrees that nothing in this MOU or the discussions leading to execution of the MOU or the discussions leading to the execution of the 2013 Wage Agreements shall create, or be used or offered as evidence in any forum to establish a joint employer, single employer, alter ego, successor or other similar relationship between or among Patriot and the Signatory Companies, or between or among the Signatory Companies.

9. Patriot hereby covenants and agrees that any plan(s) of reorganization proposed or supported by the Debtors in their Chapter 11 cases shall not conflict with or alter the 2013 Wage Agreements or this MOU, and shall not propose or contain any involuntary releases by the Union. From and after the date hereof, and provided that (a) the VEBA Funding Agreement, the 2013 Wage Agreements and the MOU have not been breached or violated by the Debtors and (b) any plan(s) of reorganization filed in their Chapter 11 cases are not in conflict with or alter the terms of this MOU, the 2013 Wage Agreements or the VEBA Funding Agreement the Union shall support, and the VEBA, except to the extent inconsistent with its fiduciary duties under the Employee Retirement Income Security Act of 1974, as amended, shall not object to or vote against, the confirmation of such plan(s) of reorganization. Nothing in this MOU shall be

deemed to be a solicitation or acceptance of any plan(s) of reorganization in the Debtors' Chapter 11 cases.

10. On the effective date of Patriot's approved plan of reorganization, except with respect to the VEBA Funding Amount (as shall be defined in the VEBA Funding Agreement) and as set forth in the 2013 Wage Agreements and this MOU, the Union, on behalf of itself and as representative of the Employees of the Signatory Companies, and, to the full extent of its authority as the authorized representative of UMWA Retirees under Section 1114 of the Bankruptcy Code, shall waive and release and be deemed to have waived and released any and all claims of any nature, whether liquidated or unliquidated, contingent or noncontingent, asserted or unasserted, against the Debtors and their successors and affiliates, and the officers, directors, employees, agents and affiliated persons of each of the foregoing, arising directly or indirectly from the Retiree Benefits (as shall be defined in the VEBA Funding Agreement), and any and all proofs of claim filed on account of or to the extent they include any such claim, including, but not limited to, claims arising from the amendment, modification, rejection, transfer or termination of the NBCWA Plan (as shall be defined in the VEBA Funding Agreement) or any collective bargaining agreement, including the Pre-Filing Wage Agreements, shall, without the need for further notice or court approval, be disallowed and expunged from the Debtors' claims register on the effective date of Patriot's approved plan of reorganization, solely with respect to the portion of the proof of claim relating to such a claim.

11. The parties agree that wages and other benefits provided for in the 2013 Wage Agreements shall be paid and provided retroactive to the Effective Date of the 2013 Wage Agreement, provided however, that no Signatory Company will offset or collect any amount actually paid to any Employee between July 1, 2013 and the ratification date of the 2013 Wage Agreement that exceeds the amount such Employee would have been entitled to under the applicable wage rate provision established in the 2013 Wage Agreement applicable to such Employee.

12. The Signatory Companies affirm that the methodology contained in their active Employee Benefit Plan document for active Employees implemented on the Effective Date related to the calculation of Eligible Charges is consistent with the methodology that was used

for the calculation of eligible charges under the Employer's Employer Benefit Plan in effect prior to the Effective Date, and that nothing in the plan document under the 2013 Wage Agreements changes or is intended to change such methodology.

13. The parties agree that each Signatory Company will process any grievance filed between the May 29, 2013 Order and the Effective Date of the 2013 Wage Agreement under the terms of the Employer's Pre-Filing Wage Agreement, provided however, to the extent such grievance involves or relates to a time period after the Effective Date of the 2013 Wage Agreement the Employer will not process such grievance insofar as it relates to a claim that is in conflict with the provisions of the 2013 Wage Agreement. Grievances filed on or after the Effective Date will be processed and decided under the terms of the 2013 Wage Agreement.

14. Article XX Section (a) in certain of the 2013 Wage Agreements refers to a VEBA, and certain actions to be taken by the VEBA. The Union confirms that when the VEBA is required to take specific actions as set forth in Article XX Section (a), the Union will use all authority available to the Union to assure the VEBA's compliance with such contractual provisions.

For the Union

Date

For Patriot Coal Corporation
Authorized Agent for:

Date

Heritage Coal Company, LLC
Eastern Associated Coal, LLC
Pine Ridge Coal Company, LLC
Hobet Mining, LLC
Apogee Coal Company, LLC
Highland Mining, LLC
Gateway Eagle Coal Company, LLC
Colony Bay Coal Company
Rivers Edge Mining, Inc.
Mountain View Coal Company, LLC

ATTACHMENT 1

MEMORANDUM OF UNDERSTANDING REGARDING WAGE REOPENER ARBITRATION

Patriot Coal Corporation (“Patriot”) and the United Mine Workers of America International Union (“Union”) enter into this Memorandum of Understanding to facilitate implementation of the wage reopener arbitration procedures in the 2013 Wage Agreements between the Union and Patriot’s UMWA-represented subsidiaries (“the Companies”).

1. In their 2013 Wage Agreements, the Companies specifically agreed to a wage reopener for 2017 and 2018, subject to the specific provisions set forth in the Agreements. The Wage Agreements further provide that, in the event the Companies and the Union are unable to reach agreement on the amount of the wage increase, if any, for 2017 and for 2018, the Companies and the Union will submit the question to binding arbitration.

2. The Union and Patriot, as authorized representative and agent for the Companies, agree that the following procedures will apply to the arbitration process in the event the parties are unable to agree on wage rates for 2017 and/or 2018.

a. To invoke the wage reopener arbitration process, the Union must serve notice on the President of Patriot at Patriot’s corporate headquarters no later than October 1 of 2016 that the Union desires arbitration with respect to the applicable wage rates for 2017 and/or 2018.

b. The arbitrator’s decision will apply to and bind each Company signatory to a 2013 Wage Agreement. To provide for an efficient and focused arbitration, Patriot will be responsible for presenting the Companies’ position before the arbitrator. The Union agrees that Patriot’s participation in the wage reopener arbitration is solely for the purpose of facilitating the arbitration process, and neither Patriot’s participation nor this Agreement shall be offered or introduced in any other proceeding by either party to illustrate any point or as evidence in support of any allegation or claim except as may be necessary to enforce each of the parties’ compliance with the provisions set forth herein.

c. The parties will timely respond to written information and document requests that are reasonably related to the issue of the appropriate wage rate(s) for the employees of the Companies, provided however, that this shall not preclude the Union from requesting information about wage rates at Patriot’s non-signatory subsidiaries. Neither party shall be required under this provision to create documents that are not in existence. No later than twenty (20) calendar days after the Union informs Patriot in writing of its intent to invoke wage reopener arbitration, Patriot shall submit to the Union the most recent quarterly financial report provided to one or more of its lenders, which shall include at least an income statement, balance sheet and statement of cash flow with accompanying notes. The Union (including any officer, employee, representative, accountant, agent or other person engaged by the Union must agree to maintain the confidentiality of any non-public Patriot financial information, statements and

reports for the protection of Patriot, and to execute a confidentiality agreement if requested by Patriot in such form as is mutually agreeable, provided however that information contained in such statements, documents and reports may be used by the Union in the wage reopener arbitration. Any unresolved dispute concerning whether a party has failed to provide relevant and necessary information shall be resolved by the arbitrator prior to a hearing on the merits.

d. The parties shall jointly agree on and designate an individual to serve as the arbitrator no later than ten (10) calendar days after the Union informs Patriot in writing of its intention to invoke wage reopener arbitration. If the parties have not agreed on the arbitrator within five (5) calendar days, each party shall promptly prepare and serve a list of five (5) arbitrators acceptable to that party. Each party shall rank the other party's nominees on a scale of one to five. The parties shall meet on the seventh day to review their respective rankings, and the individual with the highest combined number shall be designated. The arbitrator's fees and expenses shall be shared equally.

e. At the arbitration, each party shall inform the arbitrator of the percentage that party seeks for an across the board wage increase. Each party shall provide the arbitrator at the hearing with all testimony, documentation and argument relevant to the issue before the arbitrator.

f. No later than ten (10) days after the completion of the hearing the arbitrator shall inform the parties in writing whether he or she has selected the percentage proposed by the Union (which cannot exceed ten percent, taking into account the \$0.50 wage increase for 2017 and 2018 already provided for in the wage agreement), or the percentage proposed by Patriot (which can be no increase, but cannot be a reduction in wages). The arbitrator shall provide the parties a written decision setting forth his or her reasons for the position selected by the arbitrator.

g. The parties agree that any wage increase ordered by the arbitrator will become effective on January 1, 2017.

h. The arbitrator's authority is limited to selecting between the percentage increase proposed by the Union and the percentage increase proposed by Patriot. The arbitrator shall have no authority to interpret any provision of the labor agreements or to enter any decision other than selecting as between the wage increases offered by the parties.

3. The grievance and arbitration procedures in the labor agreements shall not be applicable to the Wage Reopener, including the provision which prohibits a party from being represented by an attorney in the proceeding.

4. The parties agree that binding arbitration shall be the sole avenue for establishing wage rates for 2017 and 2018 and the failure of the parties to agree to such rates will not be grounds for a lock out or strike or other work interruption.

5. All notices required under this Agreement shall be delivered as follows:

To the Union: President, United Mine Workers of America
1854 Quantico Gateway Drive, Suite 200
Triangle, Virginia 22172-1779

To Patriot: President, Patriot Coal Corporation
12312 Olive Boulevard
St. Louis, Missouri 63141

Agreed:

_____ Date: _____
For Patriot Coal Corporation

_____ Date: _____
For the Union