

COMMONWEALTH OF KENTUCKY
CLARK CIRCUIT COURT
DIVISION ONE
JUDGE WILLIAM G. CLOUSE
CONS. CASE NO. 17-CI-00175

IN RE DELTA NATURAL GAS
COMPANY, INC. STOCKHOLDER
LITIGATION

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Cons. Case No. 17-CI-00175

**STIPULATION AND AGREEMENT OF
COMPROMISE, SETTLEMENT, AND RELEASE**

The parties to the above consolidated captioned action, which include (a) plaintiffs Jacob Halberstam and Judy Cole; and (b) Defendants Glenn R. Jennings, Linda K. Breathitt, Jacob P. Cline, III, Sandra C. Gray, Edward J. Holmes, Michael J. Kistner, Fred N. Parker, Rodney L. Short, Arthur E. Walker, Jr., (collectively, “Individual Defendants”), Delta Natural Gas Company Inc. (“Delta”), Peoples Natural Gas Company, LLC¹ and PNG Companies, LLC (together, “PNG”), Drake Merger Sub, Inc.² (“Merger Sub”), SteelRiver Infrastructure Fund North America, LP (“SteelRiver”), (together with the Individual Defendants, “Defendants”), as well as plaintiff Paul Parshall (together with Jacob Halberstam and Judy Cole, “Plaintiffs”), by and through their respective attorneys, have entered into the following Stipulation and Agreement of Compromise, Settlement, and Release (the “Stipulation” or “Settlement”) and hereby submit this Stipulation for approval by the Clark Circuit Court in the Commonwealth of Kentucky (the “Court”).

¹ Peoples Natural Gas Company, LLC was incorrectly named “Peoples Natural Gas” by plaintiff in the Federal Action (defined below). For the avoidance of doubt, “Peoples Natural Gas” is included in the definitions of “Defendants” and “PNG” herein.

² Drake Merger Sub, Inc. was incorrectly named “Drake Merger Sub, LLC” by plaintiff in the *Halberstam* Action (defined below). For the avoidance of doubt, “Drake Merger Sub, LLC” is included in the definitions of “Defendants” and “Merger Sub” herein.

WHEREAS:

A. On February 21, 2017, Delta announced that it had entered into an Agreement and Plan of Merger dated February 20, 2017 (the “Merger Agreement”) that provided for the acquisition of Delta by PNG (the “Transaction”). Under the terms of the Merger Agreement, PNG would acquire all outstanding shares of Delta for \$30.50 per Delta common share in cash.

B. On April 12, 2017, plaintiff Jacob Halberstam commenced an action styled as *Halberstam v. Delta Natural Gas Company, Inc., et. al.*, Case No. 17-CI-00175 (the “*Halberstam Action*”) in the Court by filing a Class Action Complaint.

C. On May 5, 2017, plaintiff Judy Cole commenced an action styled as *Cole v. Delta Natural Gas Company, Inc., et al.*, Case No. 17-CI-00213 (the “*Cole Action*”) in the Court by filing a Class Action Complaint. Each of the *Halberstam Action* and the *Cole Action* were filed putatively on behalf of the named plaintiff and the other public stockholders of Delta relating to the proposed acquisition of the Company by PNG.

D. On May 10, 2017, the parties to the *Halberstam Action* and the *Cole Action* filed a stipulation and proposed order consolidating those actions, styled as *In re Delta Natural Gas Company, Inc. Stockholder Litigation*, Cons. Case No. 17-CI-00175 (the “*Consolidated Action*”), and appointing co-lead counsel, which stipulation and order was entered on January 24, 2018.

E. The Consolidated Action alleges claims of breach of fiduciary duties by the members of the Delta board of directors (the “Board”), and claims for aiding and abetting against Delta, PNG, SteelRiver, and Merger Sub. The Consolidated Action alleges, among other things, that the Individual Defendants failed to take reasonable steps to ensure that Delta stockholders receive adequate and fair value for their shares, that Delta, PNG and Merger Sub aided and abetted the alleged breaches of fiduciary duty, and that the Preliminary Proxy Statement (the “Preliminary

Proxy”) filed by Delta on Schedule 14A with the Securities and Exchange Commission (“SEC”) on March 24, 2017, was misleading and incomplete and failed to provide Delta stockholders with material information in connection with the Transaction, including information regarding (i) Delta management’s projections, utilized by Delta’s financial advisor Tudor, Pickering, Holt & Co. Advisors LLC (“TPH”); (ii) Delta insiders’ potential conflicts of interest; (iii) TPH’s potential conflicts of interest; (iv) the sale process leading up to the Transaction; and (v) the valuation and other financial analyses prepared by TPH.

F. On April 27, 2017, the parties to the *Halberstam* Action filed an agreed order extending Defendants’ time to July 13, 2017 to answer or otherwise respond to the complaint in the *Halberstam* Action.

G. Also on April 27, 2017, Delta filed the Definitive Proxy Statement on Schedule 14A with the SEC (“Definitive Proxy”), which set a special meeting of Delta stockholders for June 1, 2017 (the “Shareholder Vote Date”) at 10:00 a.m. to vote on the Transaction.

H. On April 28, 2017, plaintiff Paul Parshall commenced an action styled as *Parshall v. Delta Natural Gas Company, Inc., et al.*, Case No. 5:17-cv-00194 in the United States District Court for the Eastern District of Kentucky (the “Federal Action”), putatively on behalf of himself and the other public stockholders of Delta relating to the proposed acquisition of the Company by PNG. The Federal Action alleged that Delta and the Individual Defendants violated Section 14(a) of the Securities Exchange Act of 1934 (“1934 Act”) and Rule 14a-9 promulgated thereunder, by disseminating a false and misleading Preliminary Proxy which failed to provide Delta stockholders with material information in connection with the Transaction, including information regarding: (i) Delta management’s projections, utilized by Delta’s financial advisor TPH; (ii) Delta insiders’ potential conflicts of interest; (iii) TPH’s potential conflicts of interest; (iv) the sale process leading

up to the Transaction; and (v) the valuation and other financial analyses prepared by TPH. The Parshall complaint also alleged that the Individual Defendants and PNG violated Section 20(a) of the 1934 Act because as “controlling persons” of Delta within the meaning of Section 20(a), they are liable for Delta’s dissemination of a materially misleading Preliminary Proxy.

I. On April 25, 2017, Plaintiffs’ counsel sent to Defendants’ counsel discovery requests, which included requests for production of certain confidential, nonpublic internal Company documents concerning the Transaction, including minutes from relevant Board meetings and presentations made by TPH to the Board, and requests to take the depositions of Glenn R. Jennings (Delta’s Chairman of the Board, President, and Chief Executive Officer) and the person(s) most knowledgeable at TPH concerning the Transaction.

J. Following Plaintiffs’ initial discovery requests, the parties conducted arm’s length negotiations concerning the expedited production of confidential, nonpublic internal Company documents.

K. Between May 3 and May 10, 2017, the parties negotiated a Stipulated Protective Order for the Exchange of Confidential Information.

L. On May 8, 2017, Delta began a rolling production of responsive documents (“the Agreed-Upon Discovery”).

M. Plaintiffs’ counsel represent that they, in conjunction with their financial expert, reviewed and analyzed the Preliminary Proxy, the Definitive Proxy, other publicly-filed documents, and the confidential nonpublic expedited discovery with respect to, among other things, the fairness of the merger consideration, the adequacy of the process undertaken by the Board leading up to the execution of the Merger Agreement, and whether the Board satisfied its

duty to fully disclose all material information concerning the Transaction to permit Delta stockholders to make a fully informed voting decision regarding the Transaction.

N. Following the review and analysis of Delta's internal documents and further analysis of the Definitive Proxy, in conjunction with Plaintiffs' retained financial expert, Plaintiffs identified certain additional information that they believe had been improperly omitted from the Definitive Proxy, and that in their view required disclosure prior to the Shareholder Vote Date to permit Delta stockholders to make a fully informed decision as to whether to vote in favor of the Transaction or seek appraisal.

O. On May 9, 2017, Plaintiffs, by and through their counsel, made a written settlement demand on Defendants, which was supplemented on May 15, 2017 (the "Demand"), which, among other things, demanded that Defendants cure the disclosure deficiencies identified by Plaintiffs in the pleadings and in conjunction with their financial expert by issuing supplemental disclosures to stockholders, and informed Defendants of their intention to enjoin the Proposed Transaction until such alleged disclosure deficiencies were cured.

P. On May 19, 2017, Plaintiffs' counsel shared a complete draft of their motion for preliminary injunction with counsel for Defendants for discussion purposes relating to potential resolution.

Q. Following continued arm's-length negotiations, Plaintiffs' counsel and Defendants' counsel reached an agreement on the supplemental disclosures that Plaintiffs' counsel demanded for dissemination to Delta stockholders sufficiently in advance of the Shareholder Vote Date.

R. On May 25, 2017, pursuant to the MOU, the Company filed a supplement to the Definitive Proxy on Form 8-K containing the additional disclosures (the "Supplemental

Disclosures”) that are the basis of the resolution of the Consolidated Action and the Federal Action. A copy of the Supplemental Disclosures is attached hereto as Exhibit A.

S. On June 1, 2017, Delta’s stockholders voted to approve the previously announced Merger Agreement, dated February 20, 2017, by and among Delta, PNG and Merger Sub.

T. On June 5, 2017, pursuant to the MOU, plaintiff Paul Parshall filed a Notice of Voluntary Dismissal without prejudice in the Federal Action.

U. On September 20, 2017 (the “Closing Date”), PNG completed its previously announced acquisition of Delta.

V. Following the Closing Date, the parties negotiated additional discovery in order to confirm the fairness and reasonableness of the settlement, which included additional internal, confidential documents from the Company that Plaintiffs’ counsel believe were highly relevant, and depositions of two witnesses (identified in Paragraph I above) who played a central role in the consummation of the Transaction (“Confirmatory Discovery”).

W. On January 25, 2018, Plaintiffs’ counsel conducted the deposition of Jonathan Sherman, Executive Director of TPH, the Company’s financial advisor in connection with the Transaction.

X. On January 30, 2018, Plaintiffs’ counsel conducted the deposition of Glenn R. Jennings, Chairman of the Board, President, and Chief Executive Officer of Delta during the relevant time period.

Y. Plaintiffs’ counsel have conducted an investigation that includes, among other things, the depositions described above, the review and analysis of the Preliminary Proxy, the Definitive Proxy, other publicly-filed documents, and the confidential nonpublic expedited discovery and Confirmatory Discovery with respect to, among other things, the fairness of the

merger consideration, the adequacy of the process undertaken by the Board leading up to the execution of the Merger Agreement, and whether the Board satisfied its duty to fully disclose all material information concerning the Transaction to permit Delta stockholders to make a fully informed voting and appraisal decision regarding the Transaction.

Z. Following a full analysis of the strengths and weaknesses of their case, including review and analysis of certain confidential non-public documents concerning the financial fairness of the consideration paid in the Transaction in conjunction with their retained financial expert, and further review of the deposition testimony, Plaintiffs' counsel have concluded that the terms of the Settlement contained in this Stipulation are fair and adequate, and in the best interests of Delta's stockholders and members of the Class (as defined below), and that it is reasonable to pursue settlement of the Consolidated Action (including dismissal of the Federal Action) based upon those terms and the procedures outlined herein and the benefits and protections offered hereby.

AA. Defendants have denied, and continue to deny, that they have committed or aided and abetted in the commission of any violation of law or breach of duty of any kind or engaged in any of the wrongful acts alleged in the Consolidated Action and the Federal Action, and expressly maintain that they have diligently and scrupulously complied with any and all legal duties, and are entering into the Stipulation solely to eliminate the burden and expense of further litigation.

BB. Plaintiffs and Plaintiffs' counsel believe that the claims asserted in the Consolidated Action and the Federal Action have merit, entry into the Settlement by Plaintiffs is not an admission as to the lack of any merit of any of the claims asserted in the Consolidated Action or the Federal Action, and Plaintiffs are entering into this Settlement only because they believe that the Supplemental Disclosures permitted Delta's stockholders to make a substantially more fully informed decision with respect to the Transaction.

NOW, THEREFORE, IT IS STIPULATED AND AGREED, subject to approval by the Court, pursuant to Kentucky Rule of Civil Procedure 23, for good and valuable consideration, that the Consolidated Action shall be dismissed on the merits with prejudice as to all Defendants and against all members of the Class (as defined below), and all Released Claims (as defined below) shall be fully, finally, and forever compromised, settled, extinguished, dismissed, discharged, and released with prejudice and without costs (except as provided by Paragraphs 8 and 13), as to all Released Persons (as defined below), upon the following terms and conditions:

DEFINITIONS

1. In addition to the terms defined above, the following additional terms shall have the meanings specified below:

1.1. “Class” means a mandatory non-opt out class pursuant to Kentucky Rule of Civil Procedure 23.01, *et seq.*, of all Delta stockholders and their successors in interest and transferees, immediate, and remote, from February 21, 2017 through the date of the consummation of the Transaction; provided however, that the Class shall exclude Defendants, their immediate family members, their directors or partners, their direct or indirect parent or subsidiary entities, or any person or entity over whom or which any Defendant exercises sole or exclusive control. In the event the Settlement does not become final for any reason, Defendants reserve the right to oppose certification of any plaintiff class in this or any future proceedings.

1.2 “Class Period” means the period beginning on and including February 21, 2017 through September 20, 2017, the date of consummation of the Transaction.

1.3. “Final Court Approval” means the Court has entered an order approving the Settlement in accordance with the Stipulation, and such order is finally affirmed on appeal or is no

longer subject to appeal and the time for any petition for re-argument, appeal or review, by leave, certiorari, or otherwise, has expired.

1.4. “Notice” means the Notice of Pendency of Class Action, Class Action Determination, Settlement of Class Action, Settlement Hearing, and Right to Appear, substantially in the form attached hereto as Exhibit C.

1.5. “Order and Final Judgment” means an order or orders entered by the Court, substantially in the form attached hereto as Exhibit D, approving the Settlement and dismissing the Consolidated Action with prejudice and without costs to any party (except as provided in Paragraphs 8 and 13 below).

1.6. “Released Claims” means all known and unknown claims (including Unknown Claims (as defined below)) for damages, injunctive relief, or any other remedy against all Released Persons (as defined below) that have been or could have been asserted by any member of the proposed Class in any forum, including class, derivative, individual, direct, indirect, or other claims, whether state, federal, or foreign, common law, statutory, or regulatory, including, without limitation, claims under the federal securities laws, arising out of, related to, or concerning: (i) the allegations contained in the Consolidated Action and the Federal Action; (ii) the Transaction, the Merger Agreement, the process leading to the execution of the Merger Agreement, and any negotiations, deliberations, contemplation, consideration and approval thereof, any agreements, and disclosures relating to the Transaction, and any compensation or payments, or other actual or potential offers or transfers of value made to any of the Defendants in connection with or as a result of the Transaction; (iii) Delta’s Preliminary Proxy and Definitive Proxy, and any amendments thereto, and any other disclosures or filings relating, directly or indirectly, to the Transaction, the Merger Agreement, the process leading to the matters and agreements referenced

in clause (ii) above, or execution of the Merger Agreement; (iv) the negotiations leading up to the matters and agreements referenced in clause (ii) above; and (v) any matter that could have been asserted in the Consolidated Action and the Federal Action regarding the matters and agreements referenced in clause (ii) above or any disclosure or alleged failure to disclose material facts to stockholders in connection with the Transaction, by or on behalf of any person, or any alleged aiding and abetting of any of the foregoing, provided, however, that the claims to be released shall not include (i) the right of any Class member or any of the Defendants to enforce the terms of this Stipulation or the Settlement, and (ii) any claims for appraisal under KRS 271B.13-280 or other applicable statute.

1.7. “Released Persons” means, all Defendants in the Consolidated Action or the Federal Action (including all current directors and officers of Delta, Merger Sub, SteelRiver, and PNG, whether named as defendants or not), and non-party TPH, and any of their present or former affiliates, parents, subsidiaries (including the directors and officers of such affiliates, parents, and subsidiaries), general partners, limited partners, partnerships, and their respective officers, directors, managing directors, employees, agents, attorneys, advisors, insurers, accountants, auditors, trustees, financial advisors, lenders, investment bankers, associates, representatives, heirs, executors, personal representatives, estates, administrators, successors, and assigns.

1.8. “Releases” means the releases set forth in Paragraphs 3- 5 below.

1.9. “Scheduling Order” means an order in substantially the form attached hereto as Exhibit B providing for, among other things, approval of the Notice and scheduling of the Settlement Hearing (as defined below).

1.10. “Settlement Hearing” means the hearing or hearings at which the Court will consider, among other things, the fairness, reasonableness, and adequacy of the Settlement, the

certification of the Class (for settlement purposes only), the entry of the Order and Final Judgment, and the appropriateness and amount of an award of attorneys' fees and expenses payable to Plaintiffs' counsel.

1.11. "Unknown Claims" means claims that any member of the Class or any Defendant does not know or suspect to exist at the time of the release relating in any way to the Transaction, which, if known, might have affected the decision to enter into the release or to object or not to object to the Settlement.

SETTLEMENT CONSIDERATION

2. As consideration for the Settlement agreed upon herein, on May 25, 2017, Defendants caused Delta to file the Supplemental Disclosures (attached hereto as Exhibit A) with the SEC. Prior to executing the MOU, Plaintiffs and their counsel were provided with and reviewed the Supplemental Disclosures. Without admitting any fault, liability, or wrongdoing whatsoever or that any of the Supplemental Disclosures were material or required to be made, Defendants acknowledge that the Supplemental Disclosures reflected in Exhibit A were solely caused by Plaintiffs' initiation and prosecution of the Consolidated Action and the Federal Action.

RELEASES

3. Upon Final Court Approval, the Plaintiffs and all members of the Class shall and hereby do fully, finally, and forever compromise, settle, extinguish, dismiss, discharge, and release with prejudice (except as otherwise specifically provided herein) each and all of the Released Persons from and with respect to any and all of the Released Claims, and will be barred and enjoined from commencing, prosecuting, instigating, or in any way participating in the commencement, prosecution, or instigation of any action, proceeding or investigation asserting any Released Claims, either directly, indirectly, representatively, derivatively, or in any other

capacity, against any Released Person; provided, however, that the Released Persons, Plaintiffs, or Plaintiffs' counsel shall retain (1) the right to enforce in the Court the terms of this Stipulation or the Settlement, and (2) any claims for appraisal under KRS 271B.13-280 or other applicable statute.

4. Upon Final Court Approval, Defendants shall be deemed to have, and by operation of the judgment shall have, fully, finally, and forever released, relinquished, settled, extinguished, discharged, and dismissed Plaintiffs and Plaintiffs' counsel and members of the Class and their counsel from all claims arising out of the initiation, prosecution, settlement or resolution of the Consolidated Action or the Federal Action, provided, however, that the Defendants and Released Persons shall retain the right to enforce the terms of this Stipulation or the Settlement.

5. Upon Final Court Approval, members of the Class, and Defendants shall be deemed to waive, and shall waive and relinquish to the fullest extent permitted by law, any and all provisions, rights, and benefits conferred by any law of the United States or any state or territory of the United States, or principle of common law, which governs or limits a person's release of Unknown Claims; further, with respect to any and all of the Released Claims, including any and all Unknown Claims, that (i) the Plaintiffs, members of the Class, and Defendants shall be deemed to waive, and shall waive and relinquish, to the fullest extent permitted by law, the provisions, rights, and benefits of Section 1542 of the California Civil Code, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR;

(ii) the Plaintiffs, members of the Class, and Defendants also shall be deemed to waive any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States,

or foreign law, or principle of common law, which is similar, comparable, or equivalent to California Civil Code § 1542; and (iii) the Plaintiffs, on behalf of the Class, and Defendants acknowledge that members of the Class and Defendants may discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this release, but that it is the intention of the Plaintiffs, on behalf of the Class, and Defendants to fully, finally, and forever settle and release with prejudice any and all Released Claims, including any and all Unknown Claims, hereby known or unknown, suspected, or unsuspected, which now exist, or heretofore existed, or may hereafter exist, and without regard to the subsequent discovery or existence of such additional or different facts. Plaintiffs acknowledge, and the members of the Class shall be deemed by operation of the entry of a final order and judgment approving the Settlement to have acknowledged, that the foregoing waiver was separately bargained for and is a key element of the Settlement of which this release is a part.

CLASS CERTIFICATION

6. For purposes of settlement only, the parties agree that the Class should be maintained as a non-opt-out class action, pursuant to Kentucky Rule of Civil Procedure 23.03, on behalf of the Class, subject to Final Court Approval.

SCHEDULING ORDER

7. As soon as practicable after the Stipulation has been executed, the parties shall jointly submit this Stipulation together with its related documents to the Court, and shall apply to the Court to enter the Scheduling Order, substantially in the form attached hereto as Exhibit B.

NOTICE

8. Delta or its successor-in-interest (or any applicable insurers) shall be solely responsible (and shall solely bear the costs) for the reproduction and distribution of the Notice,

substantially in the form attached hereto as Exhibit C, and in the manner provided in the Scheduling Order, or as otherwise approved by the Court.

STAY OF PROCEEDINGS

9. The parties agree to stay the proceedings in the Consolidated Action and not to initiate any proceedings other than those related to the Settlement itself. The parties also agree to use their reasonable best efforts to prevent, stay, or seek dismissal of, or oppose entry of any interim or final relief in favor of any member of the Class in any other litigation against any of the Released Persons that challenges the Settlement or otherwise involves any Released Claims.

DISMISSAL WITH PREJUDICE

10. If the Settlement is approved by the Court, (a) the parties shall jointly and promptly request that the Court enter an Order and Final Judgment in the Consolidated Action substantially in the form attached hereto as Exhibit D; and (b) and Parshall shall not take any further action in the Federal Action (which already has been dismissed without prejudice) and expressly acknowledges, for the avoidance of doubt, that the claims in the Federal Action are Released Claims under this Stipulation.

CONDITIONS OF SETTLEMENT

11. The Settlement is conditioned on final certification of the Class and Final Court Approval of the Settlement, and shall be null and void and of no force and effect if such conditions are not met, unless otherwise agreed by the parties pursuant to Paragraph 28 herein. In addition, prior to Final Court Approval of the Settlement, Defendants shall have the right to withdraw from the Settlement in the event that (i) the Transaction, including any of the transactions contemplated by the Merger Agreement, is not consummated for any reason by the End Date (as that term is defined in the Merger Agreement) or (ii) any new claim related to the subject matter of the

Consolidated Action, the Federal Action, the Merger Agreement, the transactions contemplated by the Merger Agreement, including the Transaction or the Released Claims, is commenced or prosecuted against any of the Defendants in any court before final approval of the Settlement, and the parties are unsuccessful in securing the dismissal thereof (or a stay thereof in contemplation of dismissal following final approval of the Settlement). In the event that any such claim is commenced or prosecuted against any of the Released Persons, the parties shall cooperate and use their best efforts to secure the dismissal with prejudice thereof (or a stay thereof in contemplation of dismissal with prejudice following Final Court Approval of the Settlement).

12. In any event of nullification of the Settlement, the parties to the Consolidated Action and the Federal Action shall be deemed to be in the position they were in prior to the execution of the MOU (including, without limitation, that the Class will not be deemed to have been certified), and the statements made herein and in connection with the negotiation of the Settlement or MOU shall not be deemed to prejudice in any way the positions of the parties with respect to the Consolidated Action or the Federal Action or to constitute an admission of fact or wrongdoing by any party, and shall not be used or entitle any party to recover any fees, costs, or expenses incurred in connection with the Consolidated Action, the Federal Action, or in connection with any other litigation or judicial proceeding. Neither the existence of this Settlement nor its contents nor any statements made in connection with the negotiation of this Settlement, nor any settlement communications, nor the Agreed-Upon Discovery and Confirmatory Discovery shall be admissible in evidence or shall be referred to for any purpose in the Consolidated Action, the Federal Action, or in any other litigation or judicial proceeding; provided, however, that the MOU and Stipulation may be used and admitted into evidence in connection with any application by

Plaintiffs' counsel for an award of attorneys' fees and expenses on mootness grounds as contemplated herein.

ATTORNEYS' FEES

13. Defendants acknowledge that Plaintiffs are entitled to an award of reasonable attorneys' fees and reimbursement of expenses for the benefit that this Settlement confers upon the Class. After negotiating the substantive terms of the Settlement and the Stipulation, the parties negotiated an award of up to \$330,000 (THREE HUNDRED THIRTY THOUSAND DOLLARS) for attorneys' fees and expenses (including costs, disbursements, and expert and consulting fees) in connection with the prosecution of the Consolidated Action and the Federal Action, subject to Court approval ("Fee Award") which, subject to the terms and conditions of this Stipulation and approval by the Court, will be paid to Plaintiffs' counsel, and which shall be the only fee application made in either the Consolidated Action or the Federal Action (where no fee application will be made). Defendants or Defendants' directors' and officers' liability insurer shall pay the fees, costs, and expenses awarded to Plaintiffs' counsel, within ten (10) business days after entry of the Court's order awarding such fees and expenses, and which obligation shall be subject to the joint and several obligation of Plaintiffs' counsel to refund, within ten (10) business days, any overage, if and when, as a result of any appeal and/or further proceeding on remand, or successful collateral attack, the award of fees, costs, and expenses is reduced or reversed or if the award order does not become final, if the Settlement itself is voided by any party as provided herein or in the Stipulation, or if the Settlement is later reversed by any court. Approval of the Fee Award shall not be a precondition to this Settlement or to the dismissal with prejudice of the Consolidated Action or the Federal Action. The Court may consider and rule upon the fairness, reasonableness, and adequacy of the Settlement independently of any award of attorneys' fees and expenses.

Should the Settlement not be approved for any reason, Plaintiffs' counsel reserve and retain the right to apply for an award of attorneys' fees and expenses based on mootness grounds. Defendants reserve all rights in connection with any such application.

COOPERATION

14. The parties and their respective counsel agree to cooperate fully with one another in seeking the Court's approval of this Stipulation and the Settlement and to use their best efforts to effect the consummation of this Stipulation and the Settlement (including, but not limited to, resolving any objections raised with respect to the Settlement).

15. Without further order of the Court, the parties may agree to reasonable extensions of time to carry out any of the provisions of this Stipulation.

16. If any claims that are or would be subject to the release and dismissal contemplated by the Settlement are asserted against any of the parties to this Stipulation in any court prior to Final Court Approval of the Settlement, Plaintiffs and their counsel shall join, if requested by any Defendant, in any motion to dismiss or stay such proceedings and otherwise shall use their best efforts to cooperate with Defendants to effect a withdrawal or dismissal of the claims.

STIPULATION NOT AN ADMISSION

17. The existence of this Stipulation, its contents, and any negotiations, statements, or proceedings in connection therewith will not be argued to be, and will not be construed or deemed to be, a presumption, concession, or admission by any of the Released Persons or any other person of any fault, liability, or wrongdoing as to any facts or claims alleged or asserted in the Consolidated Action, Federal Action or otherwise, or that Plaintiffs or Plaintiffs' counsel, the Class, or any present or former stockholders of Delta, or any other person, have suffered any damage attributable in any manner to any of the Released Persons. Nor shall the existence of this

Stipulation and its contents or any negotiations, statements, or proceedings in connection therewith be construed as a presumption, concession, or admission by Plaintiffs, any member of the Class, or Plaintiffs' counsel of any lack of merit of the Released Claims. The existence of the Stipulation, its contents, or any negotiations, statements, or proceedings in connection therewith, or the Agreed-Upon Discovery and Confirmatory Discovery shall not be offered or admitted in evidence or referred to, interpreted, construed, invoked, or otherwise used by any person for any purpose in the Consolidated Action, Federal Action or otherwise, except, with respect only to the Stipulation itself, as may be necessary to enforce or obtain Final Court Approval of the Settlement. Notwithstanding the foregoing, any of the Released Persons may file the Stipulation or any judgment or order of the Court related hereto, in any other action that may be brought against them, in order to support any and all defenses or counterclaims based on the entire controversy doctrine, res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion, or similar defense or counterclaim. This provision shall remain in force in the event that the Settlement is terminated.

NO WAIVER

18. Any failure by any party to insist upon the strict performance by any other party of any of the provisions of this Stipulation shall not be deemed a waiver of any of the provisions hereof, and such party, notwithstanding such failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this Stipulation to be performed by such other party.

19. No waiver, express or implied, by any party of any breach or default in the performance by the other party of its obligations under this Stipulation shall be deemed or

construed to be a waiver of any other breach, whether prior, subsequent, or contemporaneous, under this Stipulation.

AUTHORITY

20. This Stipulation will be executed by counsel to the parties to the Consolidated Action and the Federal Action, each of whom represents and warrants that he or she has been duly authorized and empowered to execute this Stipulation on behalf of such party, and that it shall be binding on such party in accordance with its terms.

SUCCESSORS AND ASSIGNS

21. This Stipulation is and shall be binding upon, and inure to the benefit of, the parties and their respective agents, executors, administrators, heirs, successors, and assigns, including, without limitation, any corporation or other entity with which any party hereto may merge or otherwise consolidate.

GOVERNING LAW AND FORUM

22. This Stipulation and the Settlement shall be governed by and construed in accordance with the laws of the State of Kentucky without regard to conflict of laws principles. Any action arising out of or relating to this Stipulation shall be brought exclusively in the Court, or if such Court shall lack subject-matter jurisdiction over such action, then in such other state court of the State of Kentucky as may have subject-matter jurisdiction over such action, provided however that the parties hereto expressly and irrevocably waive any right to trial by jury of any such action. Each of the parties to this Stipulation (i) irrevocably submits to the personal jurisdiction of the Court, as well as to the jurisdiction of all courts to which an appeal may be taken from such courts, in any suit, action, or proceeding arising out of or relating to this Stipulation and/or the Settlement; (ii) agrees that all claims in respect of such suit, action, or proceeding shall

be brought, heard, and determined exclusively in this Court (provided that, in the event that subject matter jurisdiction is unavailable in this Court, then all such claims shall be brought, heard and determined exclusively in any other state court of the State of Kentucky); (iii) agrees that it shall not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from such court; (iv) agrees not to bring any action or proceeding arising out of or relating to this Stipulation or the Settlement in any other court; and (v) expressly waives, and agrees not to plead or to make, any claim that any such action or proceeding is subject (in whole or in part) to a jury trial. Each of the parties waives any defense of inconvenient forum to the maintenance of any action or proceeding brought in accordance with this Paragraph. Each of the parties further agrees to waive any bond, surety, or other security that might be required of any other party with respect to any such action or proceeding, including an appeal thereof. Each of the parties further consents and agrees that process in any such suit, action, or proceeding may be served on such party by certified mail, return receipt requested, addressed to such party or such party's registered agent in the state of its incorporation or organization, or in any other manner provided by law.

ENTIRE AGREEMENT

23. This Stipulation and the attached exhibits constitute the entire agreement among the parties with respect to the subject matter hereof, and supersede all prior or contemporaneous oral or written agreements, understandings, or representations. All of the exhibits hereto are incorporated herein by reference as if set forth herein verbatim, and the terms of all exhibits are expressly made part of this Stipulation. This Stipulation replaces the MOU, which shall be of no further force or effect upon execution of this Stipulation.

INTERPRETATION

24. Each term of this Stipulation is contractual and not merely a recital.

25. This Stipulation will be deemed to have been mutually prepared by the parties and will not be construed against any of them by reason of authorship.

26. Section and/or paragraph titles have been inserted for convenience only and will not be used in determining the terms of this Stipulation.

27. The terms and provisions of this Stipulation are intended solely for the benefit of the parties, the Class, the Released Persons, and their respective successors and permitted assigns. The Released Persons who are not parties hereto shall be third party beneficiaries under this Stipulation entitled to enforce this Stipulation in accordance with its terms. Otherwise, it is not the intention of the parties to confer third-party beneficiary rights or remedies upon any other person or entity, except any attorneys' fees and expenses to be paid pursuant to the terms of this Stipulation.

AMENDMENTS

28. This Stipulation may not be amended, changed, waived, discharged, or terminated (except as explicitly provided herein), in whole or in part, except by an instrument in writing signed by the party against whom enforcement of such amendment, change, waiver, discharge, or termination is sought.

COUNTERPARTS

29. This Stipulation may be executed in any number of actual, telecopied, or electronically mailed counterparts and by each of the different parties on several counterparts, each of which when so executed and delivered will be an original. This Stipulation will become effective when the actual, telecopied or electronically mailed counterparts have been signed by each of the parties and delivered to the other parties. The executed signature page(s) from each

person or entity, except any attorneys' fees and expenses to be paid pursuant to the terms of this Stipulation.

AMENDMENTS

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IN WITNESS WHEREOF, the Parties have caused this Stipulation, dated as of August 27, 2018, to be executed by their duly authorized attorneys.

[Remainder of Page Intentionally Left Blank; Signature Pages to Follow]

GRAY & WHITE LAW



Mark K. Gray
Kentucky Bar Number: 83552
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Phone: 502.210.8942

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IN WITNESS WHEREOF, the Parties have caused this Stipulation, dated as of _____, 2018, to be executed by their duly authorized attorneys.


[Remainder of Page Intentionally Left Blank; Signature Pages to Follow]

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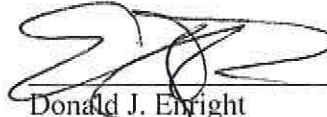
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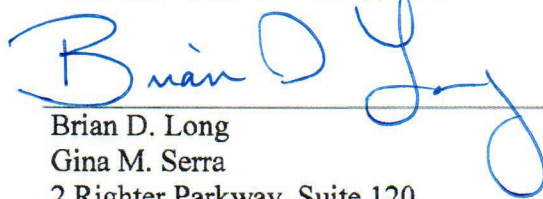
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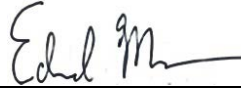
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EXHIBIT 1

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

**SCHEDULE 14A
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

- ☐ Preliminary Proxy Statement
- ☐ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- ☐ Definitive Proxy Statement
- ☒ Definitive Additional Materials
- ☐ Soliciting Material Pursuant to §240.14a-12

Delta Natural Gas Company, Inc.
(Name of Registrant as Specified in Its Charter)

Not applicable
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of filing fee (Check the appropriate box):

- ☒ No fee required.
- ☐ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transactions applies: _____
- (2) Aggregate number of securities to which transaction applies: _____
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): _____
- (4) Proposed maximum aggregate value of transaction: _____
- (5) Total fee paid: _____

- ☐ Fee paid previously with preliminary materials.
- ☐ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

- (1) Amount previously paid: _____
- (2) Form, Schedule or Registration Statement No.: _____
- (3) Filing Party: _____
- (4) Date Filed: _____



Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, Kentucky 40391

Supplement to Proxy Statement

This is a supplement to the proxy statement dated April 27, 2017 of Delta Natural Gas Company, Inc. ("Delta," "Company," "we," "our" or "us") that was mailed to investors in connection with the solicitation of proxies for use at the special meeting of shareholders to be held on June 1, 2017, at 10:00 a.m. local time, at Delta's principal place of business located at 3617 Lexington Road, Winchester, Kentucky 40391. These materials are also available on our website at <http://www.deltagas.com/proxy.htm>.

Special Meeting Proposals; Record Date

The purpose of the special meeting is to consider and vote upon the following proposals. These are the same proposals that were set forth in the proxy statement dated April 27, 2017; we have included them for your convenience.

- To consider and vote on a proposal to approve the Agreement and Plan of Merger (the "merger agreement") among Delta, PNG Companies LLC ("Buyer"), and Drake Merger Sub Inc., a direct, wholly-owned subsidiary of Buyer ("Merger Sub"), in which Buyer will acquire Delta at a price of \$30.50 per share in cash, subject to the satisfaction or waiver (if permissible under applicable law) of specified conditions. Subject to the terms and conditions of the merger agreement, Merger Sub will be merged with and into Delta (the "merger"), with Delta surviving the merger as a direct, wholly-owned subsidiary of Buyer;
- To consider and vote on a non-binding, advisory proposal to approve the compensation that may be paid or may become payable to Delta's named executive officers in connection with, or following, the consummation of the merger; and
- To consider and vote on a proposal to approve the adjournment of the special meeting, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to approve the merger agreement.

Delta's board of directors (the "Board") previously established April 25, 2017 as the record date for the purpose of determining the shareholders who are entitled to notice of and to vote at the special meeting or at any adjournment or postponement thereof (to the fullest extent permitted by law).

Recommendation of the Board

After careful consideration, the Board unanimously approved the merger agreement, the merger and the other transactions contemplated by the merger agreement. The Board further determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are in the best interests of Delta and its shareholders. Accordingly, the Board unanimously recommends that Delta shareholders vote (1) "FOR" the proposal to approve the merger agreement, (2) "FOR" the proposal to approve, by a non-binding advisory vote, the compensation that may be paid or become payable to Delta's named executive officers in connection with the merger, and (3) "FOR" the adjournment of the special meeting proposal, if necessary, to solicit additional proxies if there are not sufficient votes to approve the merger agreement at the scheduled time of the special meeting.

Litigation Relating to the Merger

As previously disclosed in Delta's definitive proxy statement filed with the Securities and Exchange Commission on April 27, 2017 (as amended or supplemented from time to time, the "proxy statement") and in Delta's Quarterly Report Pursuant to Section 13 or 15(d) filed with the Securities Exchange Commission on May 5, 2017, purported shareholders of Delta have initiated two separate lawsuits challenging the merger. On April 13, 2017, a lawsuit challenging the merger was filed, *Halberstam v. Delta Natural Gas Company, Inc. et al.*, in state circuit court in Clark County, Kentucky ("Halberstam Complaint"). On April 28, 2017, another lawsuit challenging the merger was filed, *Parshall v. Delta Natural Gas Company, Inc. et al.*, in U.S. District Court for the Eastern District of Kentucky ("Parshall Complaint"). The Halberstam Complaint alleges, among other things, that the Board breached its fiduciary duties in relation to the merger, including (a) breaching its fiduciary duty of disclosure in the preliminary proxy statement filed with the SEC on March 24, 2017 (the "preliminary proxy statement"), (b) breaching its fiduciary duties by agreeing to merger consideration that does not adequately reflect the true value of Delta and (c) breaching its fiduciary duties by having a flawed sale process. The Parshall Complaint alleges similar breaches as the Halberstam Complaint. Additionally, the Parshall Complaint alleges, among other things, that the Board violated certain laws under the Securities Exchange Act of 1934 with the filing of a preliminary proxy statement containing materially false and misleading statements.

A third lawsuit challenging the merger was filed on May 5, 2017, *Cole v. Delta Natural Gas Company, Inc. et al.*, in state circuit court in Clark County, Kentucky (the "Cole Complaint"), by purported shareholders of Delta. The Cole Complaint also alleges similar breaches as the Halberstam Complaint, including, among other things, that the Board breached its fiduciary duties in relation to the merger, including breaching its fiduciary duty of disclosure in the proxy statement filed with the SEC. The Halberstam Complaint, the Parshall Complaint and the Cole Complaint are referred to as the "Three Complaints". The Three Complaints seek, among other things, (a) to enjoin the defendants from proceeding with the shareholder vote on the merger or completing the merger on the agreed upon terms, (b) certification as a class action on behalf of all Delta shareholders similarly situated, and (c) an award of plaintiff's costs, including attorneys' and experts' fees, and other equitable relief as the court deems proper. Additionally, the Parshall Complaint seeks rescission of the merger or an award of rescissory damages, to the extent the merger has already been consummated.

Delta believes that the Three Complaints are without merit and that no further disclosure is required to supplement the proxy statement under applicable laws. However, to eliminate the burden, expense and uncertainties inherent in such litigation, and without admitting any liability or wrongdoing, Delta has determined to make certain supplemental disclosures to the proxy statement as set forth below. Plaintiffs in all Three Complaints have agreed to dismiss their claims and / or agreed not to file motions seeking expedited discovery and a preliminary injunction in connection with the filing of these supplemental disclosures. Nothing in these supplemental disclosures shall be deemed an admission of the legal necessity or materiality under applicable laws of any of the disclosures set forth herein. Delta and the other named defendants have vigorously denied, and continue to vigorously deny, that they have committed any violation of law or engaged in any of the wrongful acts that were alleged in the Three Complaints.

Supplemental Disclosures

Delta is providing certain additional disclosures that are supplemental to those contained in the proxy statement previously mailed to you. This supplemental information should be read in conjunction with the proxy statement, which we urge you to read in its entirety. As noted above, none of the defendants have admitted wrongdoing of any kind, including but not limited to inadequacies in any disclosure, the materiality of any disclosure that the plaintiffs contend should have been made, any breach of any fiduciary duty, or aiding or abetting any of the foregoing. To the extent that information herein updates information contained in the proxy statement, the information contained herein supersedes the information contained in the proxy statement previously mailed to you.

Defined terms used but not defined herein have the meanings set forth in the proxy statement. The disclosures appear below the appropriate section headings that correspond to the sections in the proxy statement. Page numbers used herein are with reference to the proxy statement filed with the Securities and Exchange Commission (the "SEC") on Form DEFM14A on April 27, 2017 and available free of charge at the SEC's web site, www.sec.gov. Paragraph references used herein refer to the proxy statement prior to any additions or deletions resulting from the

supplemental disclosures. Without admitting in any way that any of the disclosures below are material or required by the federal securities laws, state fiduciary law, or any other applicable rule, statute, regulation or law, Delta makes the following additional disclosures:

1. Supplemental Disclosures to "The Merger - Background of the Merger"

a) *Contact of Prospective Bidders; Execution of Confidentiality Agreements.* *The following disclosure amends and restates the fourth full paragraph on page 26 of the proxy statement under the subheading "Background of the Merger - Contact of Prospective Bidders; Execution of Confidentiality Agreements":*

"By September 21, 2016, Delta had entered into fifteen confidentiality agreements. All of these confidentiality agreements were substantially in the form reviewed with the Board at its August 26, 2016 meeting. Each confidentiality agreement contained the following types of standstill provisions: (a) standstill periods of up to two (2) years, (b) prohibitions against acquiring Delta securities or assets, (c) prohibitions against making proposals for any type of business combination or acquisition involving Delta without the consent of Delta's Board, (d) prohibitions against obtaining representation on Delta's Board, (e) prohibitions against asking for waivers of the standstill provisions, and (e) "fall-away" termination provisions providing that the standstill provisions would terminate effective upon Delta's execution of a transaction agreement or public announcement of a transaction. With the execution of the merger agreement on February 20, 2017 and the public disclosure of the proposed merger on February 21, 2017, all of the standstill provisions in the fifteen confidentiality agreements had "fallen away" and therefore ceased to be effective."

b) *Entry into Confidentiality Agreement with Party A.* *The following disclosure amends and restates the full paragraph on page 27 of the proxy statement under the subheading "Background of the Merger - Entry into Confidentiality Agreement with Party A":*

"On September 27, 2016, Delta entered its final confidentiality agreement, for a total of sixteen confidentiality agreements. This confidentiality agreement was with Party A and also contained the Board approved form of standstill provisions (which ceased to be effective with the execution of the merger agreement on February 20, 2017 and the public disclosure of the proposed merger on February 21, 2017). TPH informed Party A that Delta would welcome an expression of interest from Party A or Party A could participate in the bidding process and be included in the meeting schedule with Senior Management during the period of October 11-13, 2016."

c) *Round 2 Process.* *The following disclosure amends and restates the second full paragraph on page 28 of the proxy statement under the subheading "Background of the Merger - Round 2 Process":*

"On October 13, 2016, TPH received a phone call from one of the previously contacted parties inquiring about the status of the process. This party had previously entered into a confidentiality agreement when Delta was soliciting expressions of interest in September. TPH advised the previously contacted party that the strategic review process was still continuing."

d) *Employment Related Discussions with Delta's Executive Officers; Board Appointment.* *The following disclosure supplements and is to be inserted as a new subsection immediately after the last paragraph under the subheading "Background of the Merger - Exclusivity Period with Buyer" ending on page 30 of the proxy statement:*

"Employment Related Discussions with Delta's Executive Officers; Board Appointment

Buyer indicated that it was interested in exploring the possibility of hiring some of Delta's executive officers when Buyer submitted its confidential nonbinding expression of interest to TPH in connection with the September 21, 2016 First Round Bidder deadline (the "Nonbinding Expression of Interest") and in its written offer letter dated January 30, 2017 to acquire Delta for an all cash acquisition price of \$30.50 per share ("Offer Letter").

Nonbinding Expression of Interest. In its September 21, 2016 Nonbinding Expression of Interest, Buyer included a section addressing Buyer's intention regarding potential employment opportunities for Delta's executive officers. Specifically, Buyer's Nonbinding Expression of Interest stated the following:

Leadership opportunities

We have built a leadership team at our utility companies that has grown and strengthened with each acquisition we've completed. We see that same opportunity here. While we haven't had the opportunity to engage with the broader management team, we have a track record of adding to our management depth with each acquisition. We believe Mr. Jennings can meaningfully add to our team and would expect he would become a key part of our utility leadership team, helping develop our regulatory strategy to grow the business. As one of the four most senior members of our leadership team, he would be actively engaged with the Company's board and also work closely with the senior team in developing the overall strategic plan for the entire utility operations. It is expected Mr. Jennings would represent the larger utility company in important organizations including serving as the Company's representative on the American Gas Association board of directors. While his office would continue to be located in Kentucky, we expect he would become an integral part of the leadership team. We would plan to explore similar opportunities with the broader management team.

Growth opportunities in Kentucky

Mr. Jennings would help us explore the development of a possible strategy to expand gas services to new customer areas within the Kentucky footprint. An important opportunity to grow this business is the possible expansion of the current pipeline reach to be able to serve more customers than currently being served by Delta. It's widely understood that today there are many communities in Kentucky of residential and commercial customers who don't have access to natural gas, but are anxious to do so. With the economic and environmental benefits of natural gas, more and more states are looking to remove many of the regulatory barriers that will allow more and more customers to become natural gas utility customers. This would be a high priority once we closed on the acquisition.

Offer Letter. In its January 20, 2017 Offer Letter, Buyer included a section addressing Buyer's intention regarding potential employment opportunities for Delta's executive officers. Specifically, Buyer's Offer Letter stated the following:

Leadership opportunities

We have built a leadership team at our utility companies that has grown and strengthened with each acquisition we've completed. We have a track record of adding to our management depth with each acquisition, and we would plan to explore similar opportunities with the Delta management team. Our expectation is to add some of the key leaders at Delta into our leadership group recognizing that some folks are at different points in their careers. For those leaders who decide not to continue on, we are planning to offer transition agreements to further help with this transition period for a mutually agreed upon period of time. In any event, we fully understand that Officers of Delta are entitled to Change in Control payments, and these payments have been considered in forming this Proposal.

Verbal Discussions Regarding Employment. On May 12, 2017, approximately two-and-a-half months after the execution of the merger agreement and the public disclosure of the proposed merger on February 20, 2017, Mr. O'Brien informed Mr. Jennings that the Buyer would engage in employment related discussions with Senior Management prior to the Effective Time of the merger.

Verbal Discussions Regarding Appointment to the Board. The merger agreement provides that at the Effective Time, Merger Sub's board of directors shall become the board of directors of Delta. The merger agreement also provides that Buyer shall appoint one independent director to Delta's Board following the merger (the "independent director"). The merger agreement provides that Delta's current Board shall have the opportunity to approve the independent director. On May 12, 2017 Mr. O'Brien informed Mr. Jennings that the independent director would be discussed prior to the Effective Time of the merger."

2. Supplemental Disclosures to "The Merger - Certain Unaudited Forecasted Financial Information"

The following footnote supplements the table on page 36 of the proxy statement and is to be inserted immediately following the table under the subheading "Certain Unaudited Forecasted Financial Information:"

"The amounts set forth in the above table are consolidated; thus, the 'Net Income' amounts include both regulated and non-regulated net income."

3. Supplemental Disclosures to "The Merger - Opinion of Tudor, Pickering, Holt & Co. Advisors, LLC"

a) Selected Comparable Company Multiples Analysis. The following disclosure amends and restates the third full paragraph and table on page 38 of the proxy statement under the subheading "Opinion of Tudor, Pickering, Holt & Co. - Selected Comparable Company Multiples Analysis":

"All of these calculations were performed, and based on publicly available financial data and closing prices, as of February 17, 2017. The EBITDA and earnings estimates for each of the comparable companies used by TPH in its analysis were based on publicly available information and publicly available consensus estimates as reported by FactSet Research Systems Inc. The following table sets forth the individual multiples for each of the selected comparable companies analyzed by TPH.

Gas Utilities Trading Comparables

(\$ in millions except per unit amounts)

Company	Stock Price @ 2/17/17	Diluted Equity Value	Enterprise Value	Estimated			
				Enterprise Value/ EBITDA		Price/Earnings Per Share	
				2017	2018	2017	2018
Atmos Energy	\$ 76.04	\$ 8,057	\$ 11,517	10.9x	10.0x	21.1x	19.8x
Chesapeake Utilities Corporation	65.70	1,079	1,387	10.4x	9.4x	20.8x	18.8x
Spire, Inc.	63.85	2,962	5,529	11.4x	10.8x	17.9x	17.2x
New Jersey Resources	37.85	3,277	4,638	15.3x	13.5x	21.8x	20.2x
Northwest Natural Gas	58.90	1,707	2,438	10.7x	10.1x	25.5x	24.3x
ONE Gas Inc	63.97	3,385	4,614	10.3x	9.8x	21.6x	21.0x
South Jersey Industries	33.05	2,641	3,905	13.2x	11.9x	24.3x	20.6x
Southwest Gas Corp.	83.18	3,959	5,531	9.0x	8.5x	24.1x	22.7x
Median		\$ 3,119	\$ 4,626	10.8x	10.0x	21.7x	20.4x
Mean		\$ 3,383	\$ 4,945	11.4x	10.5x	22.1x	20.6x
Delta Gas - Market Value	\$ 26.15	\$ 186	\$ 228	11.5x	11.2x	28.2x	27.5x
Delta Gas - \$30.50 / Share Offer	\$ 30.50	\$ 217	\$ 259	13.1x	12.8x	32.9x	32.1x

The following table summarizes the results of the above estimates:

	Multiple Range	Median
2017 Enterprise Value/EBITDA	9.0x - 15.3x	10.8x
2018 Enterprise Value/EBITDA	8.5x - 13.5x	10.0x
2017 Price/Earnings per Share	17.9x - 25.5x	21.7x
2018 Price/Earnings per Share	17.2x - 24.3x	20.4x"

b) Selected Comparable Transaction Analysis. The following table supplements and is to be inserted immediately before the last paragraph on page 40 of the proxy statement under the subheading "Opinion of Tudor, Pickering, Holt & Co. - Selected Comparable Transaction Analysis":

"The following table sets forth the individual multiples for each of the selected comparable transactions analyzed by TPH.

Precedent Comparable Transactions

(\$ in millions except per unit amounts)

Announced	Completed	Acquirer	Target	Enterprise Value	Enterprise Value / FY 1 ⁽⁶⁾ EBITDA
Jan - 17	-	AltaGas Ltd	WGL Holdings	\$6,420	12.8x
Oct - 16	-	First Reserve	Gas Natural (EGAS)	196	11.3x
Aug - 16	-	Summit Utilities	Arkansas Oklahoma Gas Corp. (AOG)	NA	NA
Apr - 16	Sep - 16	Laclede Group	Mobile Gas/Willmut Gas	344	11.3x ⁽¹⁾
Feb - 16	Sep - 16	Dominion Resources Inc.	Questar Corporation	6,088	10.3x
Oct - 15	Oct - 16	Duke Energy Corp.	Piedmont Natural Gas	6,700	14.9x
Sep - 15	Jul - 16	Emera Incorporated	TECO Energy Incorporated	10,351	11.2x
Aug - 15	Jul - 16	Southern Company	AGL Resources Inc.	11,978	10.4x
Jul - 15	Feb - 16	Black Hills Corp.	SourceGas (GE Energy and Alinda Capital)	1,890	13.6x
Apr - 14	Sep - 14	Laclede Group	Alabama Gas Corporation	1,600	9.2x
May - 13	Sep - 14	TECO Energy	New Mexico Gas Company	950	11.0x
Feb - 13	Dec - 13	Algonquin Power & Utilities Corp.	New England Gas	74	7.8x
Dec - 12	Dec - 13	SteelRiver Infrastructure Partners	Equitable Gas Company	1,200	12.0x
Dec - 12	Sep - 13	Laclede Group	Missouri Gas Energy & New England Gas Company	1,035	10.6x
Aug - 12	Apr - 13	Algonquin Power & Utilities Corp.	Atmos - Georgia LDCs	141	NA
Feb - 12	Aug - 12	AltaGas Ltd.	SEMCO Holding Corporation	1,135	8.7x
May - 11	Aug - 12	Algonquin Power & Utilities Corp.	Atmos - Missouri, Iowa and Illinois LDCs	124	NA
Dec - 10	Dec - 11	AGL Resources Inc.	Nicor Inc.	3,165	7.1x
Nov - 10	May - 11	SteelRiver Infrastructure Partners	T.W. Phillips Gas and Oil Co.	NA	NA
May - 10	Nov - 10	UIL Holdings Corp.	SCG, CNG & BGC	1,296	9.4x
Jul - 08	Feb - 10	SteelRiver Infrastructure Partners	Dominion Resources - Peoples ⁽²⁾	780	7.8x
Jul - 08	Oct - 08	Sempra Energy	EnergySouth ⁽³⁾	240	9.5x
Jul - 08	Oct - 08	MDU Resources Group	Intermountain Gas Company	328	8.9x
Mar - 08	Oct - 08	UGI Corp.	PPL Corp. (PPL Gas Utilities)	268	9.2x
Feb - 08	Dec - 08	Unitil Corp.	Northern Utilities / Granite State Gas	185	10.8x
Jan - 08	Jan - 09	Continental Energy Systems	PNM Natural Gas	620	11.7x
Feb - 07	Nov - 07	Cap Rock Energy Corp.	SEMCO Energy Inc.	867	10.0x

Announced	Completed	Acquirer	Target	Enterprise Value	Enterprise Value/FY 1 (6) EBITDA
Feb - 07	Jul - 08	Black Hills Corp.	Aquila Inc., 5 regulated assets	940	9.6x
Aug - 06	Mar - 07	GE Energy Financial	Kinder Morgan ⁽⁴⁾	710	10.5x
Jul - 06	Feb - 07	WPS Resources Corp.	Peoples Energy Corp.	2,506	8.6x
Jul - 06	Jul - 07	MDU Resources Group	Cascade Natural Gas	475	9.1x
Feb - 06	Aug - 07	National Grid plc	KeySpan Corp.	11,913	9.1x
Feb - 06	Aug - 06	National Grid USA	Southern Union - New England assets	575	11.6x
Jan - 06	Aug - 06	UGI corp.	Southern Union - PG Energy	580	10.2x
Sep - 05	Jul - 06	WPS Resources Corp.	Aquila, Inc., Minnesota Operations ⁽⁵⁾	288	8.5x
Jul - 04	Nov - 04	AGL Resources Inc.	NUI Corp.	691	9.1x
Median				\$ 824	10.0x
Mean				\$ 2,254	10.1x
Max				\$ 11,978	14.9x
Min				\$ 74	7.1x

(1) Last Twelve Months Multiple per analyst research.

(2) Babcock agreed to acquire Hope and Peoples in July 2008. Following the WV PSC's rejection of the Hope sale, Babcock successor, SteelRiver completed the acquisition of Peoples.

(3) Assumes \$240 million of value ascribed to LDC portion of acquisition.

(4) Target acquired was Kinder Morgan, Inc.'s natural gas retail distribution operations.

(5) Per company filings.

(6) The fiscal year immediately following the fiscal year in which the relevant transaction was announced.

The net debt figure used in calculating the estimate of Delta's equity value was \$41.61 MM, which was provided by Senior Management."

c) Discounted Cash Flow Analysis. The following disclosure amends and restates the paragraph under the subheading "Opinion of Tudor, Pickering, Holt & Co. - Discounted Cash Flow Analysis" on page 41 of the proxy statement:

"TPH performed a discounted cash flow analysis of Delta as of January 1, 2017. Discounted cash flow analysis is a valuation methodology used to derive a valuation of a company by calculating the present value of estimated future cash flows of the company. TPH calculated the discounted cash flow value as the sum of the net present value of each of: (a) the estimated future cash flows that Delta is expected to generate for each of the full years 2017 through 2024 and (b) a terminal value based on a multiple of Senior Management's estimated EBITDA for 2025. The estimated future unlevered free cash flows were derived by TPH from data in Delta Senior Management's financial forecasts and are as follows:

(\$ in millions)	2017	2018	2019	2020	2021	2022	2023	2024
Estimated Unlevered FCF	7.1	8.5	9.1	9.4	9.1	9.0	9.3	9.6

Unlevered free cash flow is calculated, beginning with EBITDA, by subtracting taxes (calculated by multiplying Delta's estimated tax rate by Delta's estimated earnings before interest and taxes, commonly referred to as EBIT)

and subtracting projected capital expenditures (with tax rate, EBIT and capital expenditures as set forth in Senior Management projections). Senior Management advised that there was no projected change in net working capital in their financial forecasts, and on that basis no adjustment was made to the unlevered free cash flow forecast. Delta management projections were prepared on a fiscal year ending June 30 basis. TPH's analysis was conducted on a calendar year ending December 31 basis. TPH's cash flow analyses thus analyzed a forecast period through December 31, 2024 and a terminal value utilizing forward year multiples, and thus requiring a forward year projection as of December 31, 2024, which would be for the calendar year ended December 31, 2025. For its discounted cash flow calculations of Delta, TPH applied unlevered discount rates ranging from 4.0% to 6.0% to the estimated future cash flows of Delta. The discount rates applicable to Delta were based, among other things, on TPH's judgment of the estimated range of weighted average cost of capital based on an analysis of the selected comparable companies discussed above in "Selected Comparable Company Multiples Analysis." The terminal value of Delta was calculated applying various terminal value EBITDA multiples ranging from 8.0x to 12.0x. The terminal value EBITDA multiples were selected by TPH by reference to EV to EBITDA trading multiples calculated for selected comparable companies discussed above in "Selected Comparable Company Multiples Analysis." TPH applied such ranges of terminal value EBITDA multiples to Delta's estimated 2025 EBITDA to determine a terminal value for Delta. The ranges of estimated future cash flows and terminal values were then discounted to present values as of January 1, 2017 using the range of discount rates referred to above. From this analysis, TPH estimated an implied price per share range for the common stock of \$17.87 to \$30.30, as compared to the Per Share Consideration of \$30.50 provided in the merger agreement. The implied terminal growth rates resulting from this analysis are as follows:

Implied Terminal Growth Rate

Low - 0.6%
Base - 0.7%
High - 0.4%

d) **Dividend Discount Model Analysis.** The following disclosure amends and restates the paragraph under the subheading "Opinion of Tudor, Pickering, Holt & Co. - Dividend Discount Model Analysis" on page 41 of the proxy statement:

"TPH performed a dividend discount model analysis using nine-year dividend projections based upon information provided by Senior Management. The dividend projections are set forth below:

(\$)	2017	2018	2019	2020	2021	2022	2023	2024
Estimated Dividends per Share	0.84	0.85	0.86	0.87	0.88	0.89	0.90	0.91

In this approach, dividend projections for the first eight years are discounted at a specific rate to determine the present value of the dividend stream. The present value of a terminal value, representing the value of dividends beyond the end of the forecast period, is added to arrive at a total equity value. TPH calculated a range of terminal values by applying terminal dividend growth rates ranging from 0.0% to 2.0% to the ninth year's estimated dividend rate as provided by Senior Management. TPH then discounted the resulting terminal value, along with the dividends over the eight-year forecast period, to present value using levered discount rates ranging from 5.5% to 6.5%. From this analysis, TPH estimated an implied price per share range for the common stock of \$14.22 to \$23.14, as compared to the Per Share Consideration of \$30.50 provided in the merger agreement. The Per Share consideration of \$30.50 implies a 3.6% terminal dividend growth rate at a 6.0% unlevered discount rate and a 3.8% levered discount rate at a 1.0% terminal dividend growth rate."

e) **General.** The following disclosure supplements and is to be inserted as a new subsection immediately after the last paragraph under the subheading "Opinion of Tudor, Pickering, Holt & Co. - General":

"TPH has not provided any services to SteelRiver, Buyer or its known affiliates in the past two years."

Forward Looking Statements

This document contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, as amended, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. Forward-looking statements contained in this document may include, without limitation, declarations regarding the intents, beliefs, estimates and current expectations of Delta. In some cases, forward-looking statements can be identified by terminology such as “may,” “should,” “could,” “expect,” “seeks,” “plan,” “anticipate,” “believe,” “project,” “estimate,” “predict,” “potential,” “future,” “forecast” and other similar words. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements. Although certain of these statements set out herein are indicated above, all of the statements in this document that contain forward-looking statements are qualified by these cautionary statements. Delta shareholders are cautioned that any such forward-looking statements are not guarantees of future performance and may involve significant risks and uncertainties, and that actual results may vary materially from those in the forward-looking statements. Certain material factors or assumptions are applied in making forward looking statements. These risks and uncertainties include, but are not limited to, the risks detailed in our filings with the SEC, including in our most recent filing on Form 10-K and subsequent periodic and interim reports, factors and matters described or incorporated by reference in the proxy statement or this supplement, and the following factors:

- the expected timing and likelihood of completion of the proposed merger;
- the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement, including a termination of the merger agreement under circumstances that could require us to pay a termination fee;
- the possibility that Delta shareholders may not approve the merger;
- the risk that the Buyer or Delta may be unable to obtain governmental and regulatory approvals required for the merger or that required governmental and regulatory approvals may delay the merger or result in the imposition of conditions that could cause the parties to abandon the merger;
- the failure of the merger to close for any other reason;
- risks related to disruption of management time from ongoing business operations due to the proposed merger;
- limitations placed on our ability to operate the business by the merger agreement;
- the effect of changes in governmental regulations;
- the outcome of any legal proceedings instituted against Delta and/or others relating to the merger agreement and the merger;
- the risk that the proposed merger and its announcement could have an adverse effect on the ability of Delta to retain and hire key personnel and maintain relationships with its suppliers, partners and customers, and on its operating results and businesses generally;
- whether the expected benefits of the merger will be realized; and
- the fact that Delta’s shareholders would forego the opportunity to realize the potential long-term value of the successful execution of Delta’s current strategy as an independent company.

These forward-looking statements are also qualified by, and should be read together with, the “Forward-Looking Statements,” the “Risk Factors” and the other statements in our most recent report on Form 10-K and subsequent periodic and interim report filings, in each case as filed with the SEC and available at the SEC’s website (<http://www.sec.gov>). No assurance can be given that these are all of the factors that could cause actual results to vary materially from the forward-looking statements.

Except as required by applicable law, we undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise. Delta shareholders are advised, however, to consult any future disclosures we make on related subjects as may be detailed in our other filings made from time to time with the SEC.

Additional Information and Where to Find It

In connection with the proposed merger, on April 27, 2017 Delta filed with the SEC and mailed (or otherwise provided) to each shareholder entitled to vote at the special meeting relating to the proposed transaction a proxy statement on Schedule 14A and a form of proxy. **WE URGE OUR DELTA SHAREHOLDERS AND OTHER INTERESTED PARTIES TO READ THE PROXY STATEMENT ALONG WITH THIS SUPPLEMENT AND TO READ ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR OTHER SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.** The proxy statement, the preliminary proxy statement and any other materials or documents filed by Delta with the SEC may be obtained free of charge at the SEC's website (<http://www.sec.gov>) or through the investor relations section of Delta's website at <http://www.deltagas.com> (which website is not incorporated herein by reference) or by contacting John B. Brown, by telephone at (859) 744-6171 or by writing him at 3617 Lexington Road, Winchester, KY 40391.

By Order of the Board,

/s/Glenn R. Jennings

Glenn R. Jennings

Chairman of the Board, President and Chief Executive Officer

May 25, 2017

Exhibit B

COMMONWEALTH OF KENTUCKY
CLARK CIRCUIT COURT
DIVISION ONE
JUDGE WILLIAM G. CLOUSE
CONS. CASE NO. 17-CI-00175

IN RE DELTA NATURAL GAS
COMPANY, INC. STOCKHOLDER
LITIGATION

:
:
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:

: Cons. Case No. 17-CI-00175

SCHEDULING ORDER

WHEREAS, the parties have determined to settle all claims asserted against the Defendants in the above-captioned consolidated action (the “Consolidated Action”) and the action styled as *Parshall v. Delta Natural Gas Company, Inc., et al.*, Case No. 5:17-cv-00194 filed in the United States District Court for the Eastern District of Kentucky (the “Federal Action”) in accordance with a Stipulation and Agreement of Compromise, Settlement, and Release dated [REDACTED], 2018 (the “Stipulation”), which, together with the exhibits thereto, *inter alia*, sets forth the terms and conditions for the settlement of the Consolidated Action (the “Settlement”) and which provides for dismissal of the Consolidated Action with prejudice; and

WHEREAS, the Stipulation has been filed with the Court and the parties have filed a motion, pursuant to Kentucky Rule of Civil Procedure 23, for entry of this Scheduling Order preliminarily certifying the Class solely for purposes of the Settlement and allowing notice to the Class members as more fully described herein and scheduling a hearing to consider the proposed Settlement; and

WHEREAS, the parties have consented to the entry of this Scheduling Order; and

WHEREAS, the Court has read and considered the Stipulation and the exhibits attached thereto and considered the parties' motion for entry of this Scheduling Order; and

WHEREAS, this Order hereby incorporates by reference the definitions in the Stipulation, and the capitalized words and terms used herein shall have the same meaning as they have in the Stipulation (certain of which are repeated herein for ease of reference only);

IT IS HEREBY ORDERED this ____ day of _____, 2018, that:

1. **Class Certification for Settlement Purposes** – For purposes of the Settlement only, and preliminarily for purposes of this Order, the Consolidated Action shall be maintained and proceed as a class action pursuant to Kentucky Rule of Civil Procedure 23.03 on behalf of the following Class (the "Class"): any person who held or owned common stock of Delta Natural Gas Company, Inc. ("Delta") (whether as a record or a beneficial owner) at any time during the period beginning on and including February 21, 2017 through and including the consummation of the Transaction on September 20, 2017, and any and all of their successors-in-interest, and transferees, immediate and remote. The Defendants are excluded from the Class.

2. For purposes of the Settlement only, and preliminarily for purposes of this Order, the Court appoints Jacob Halberstam, Judy Cole and Paul Parshall as Class Representatives, WeissLaw LLP, Levi & Korsinsky LLP and Rigrodsky & Long, P.A. as Class Counsel, and Gray & White Law and Strause Law Group, LLC as Class Liaison Counsel (together, "Plaintiffs' Counsel").

3. If final approval of the Settlement is not granted by the Court, this preliminary certification of the Consolidated Action as a class action (as well as the appointment of Class Representatives, Class Counsel, and Class Liaison Counsel) shall be automatically vacated.

4. **Settlement Hearing** – A hearing (the “Settlement Hearing”) shall be held on _____, 2018, at _____.m. in the Clark Circuit Court in the Commonwealth of Kentucky at Governor James Clark Judicial Center, 17 Cleveland Ave., Winchester, Kentucky 40392, for the following purposes: (a) to determine whether the proposed Settlement, on the terms and conditions provided for in the Stipulation, is fair, reasonable, adequate and in the best interests of the Class and should be approved by the Court; (b) to determine whether the preliminary class certification described in this Order should be made final; (c) to determine whether the Court should enter the Order and Final Judgment substantially in the form attached as Exhibit D to the Stipulation, which, among other things, dismisses the Consolidated Action with prejudice and effectuates the Releases set forth in the Stipulation; (d) to hear the application by Plaintiffs’ Counsel for an award of attorneys’ fees and reimbursement of expenses; and (e) to consider and rule on any such other matters as the Court may deem appropriate.

5. The Court reserves the right: (a) to adjourn the Settlement Hearing without further notice of any kind to the Class other than by oral announcement at the Settlement Hearing; and (b) to approve the Settlement at or after the Settlement Hearing with such modification(s) as may be consented to by the parties and without further notice to the Class.

6. **Manner of Notice** – Notice of Pendency of Class Action, Class Action Determination, Settlement of Class Action, Settlement Hearing, and Right to Appear (“Notice”) shall be given by Defendants as follows:

(a) No later than fifteen (15) calendar days after the entry of this Order (the “Notice Date”), Delta shall cause a copy of the Notice, substantially in the form attached as Exhibit C to the Stipulation, to be mailed by first-class mail, postage prepaid, to all persons who it has identified as potential Class members;

(b) No later than five (5) calendar days prior to the date of the Settlement Hearing, counsel for Defendants shall file with the Court and serve upon the Plaintiffs, by affidavit or declaration, proof of compliance with the notice procedures directed herein.

7. **Approval of Form and Content of Notice** – The Court: (a) approves, as to both form and content, the Notice attached as Exhibit C to the Stipulation; and (b) finds that the mailing and distribution of the Notice in the manner and form set forth in paragraph 6 of this Order: (i) is the best notice reasonably practicable under the circumstances, (ii) constitutes notice that is reasonably calculated, under the circumstances, to apprise the Class members of the pendency of the Consolidated Action, of the terms, consequences and effects of the Settlement (including, without limitation, the Releases to be provided thereunder), and of their rights to object to the proposed Settlement and appear at the Settlement Hearing, (iii) constitutes due, adequate and sufficient notice to all persons entitled to receive notice of the proposed Settlement, and (iv) satisfies the requirements of Kentucky Rule of Civil Procedure 23, the United States Constitution (including the Due Process Clause) and all other applicable law and rules. The date and time of the Settlement Hearing shall be included in the Notice before they are mailed and published, respectively.

8. **Supporting Papers and Objections** – Plaintiffs' Counsel shall file and serve papers in support of final approval of the proposed Settlement and their application for an award of attorneys' fees and reimbursement of expenses no later than thirty (30) calendar days prior to the Settlement Hearing. Any objections to the Settlement and/or the application for an award of attorneys' fees and litigation expenses shall be filed and served no later than twenty-one (21) calendar days prior to the Settlement Hearing. If reply papers are necessary, they are to be filed and served no later than seven (7) calendar days prior to the Settlement Hearing.

9. Any Class member may enter an appearance in the Consolidated Action, at its/her/his own expense, individually or through counsel of its/her/his own choice, by filing with the Clerk of the Court and delivering a notice of appearance to both Plaintiffs' Counsel and Defendants' counsel listed in the Notice such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing, or as the Court may otherwise direct. Any Class member who does not enter an appearance will be represented by Plaintiffs' Counsel, and shall have and be deemed to have waived and forfeited any and all rights its/she/he may otherwise have to appear separately at the Settlement Hearing.

10. Any Class member may file a written objection to the proposed Settlement and/or the application by Plaintiffs' Counsel for an award of attorneys' fees and reimbursement of expenses and appear and show cause, if it/she/he has any cause, why the proposed Settlement and/or the fee and litigation expense application should not be approved; provided, however, that no Class member shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement and/or the fee and litigation expense application unless that person has: (a) filed a written objection with the Clark Circuit Court in the Commonwealth of Kentucky, Governor James Clark Judicial Center, 17 Cleveland Avenue, P.O. Box 687, Winchester, Kentucky 40392, and (b) served copies of such objection in the manner provided in the Notice such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing on each of the following counsel: (i) Donald J. Enright, Levi & Korsinsky LLP, 1101 30th Street, NW, Suite 115, Washington, D.C. 20007; (ii) Mark Gray, Gray & White Law, 713 E. Market St. #200, Louisville, KY 40202; (iii) Edward N. Moss, O'Melveny & Myers LLP, Times Square Tower, 7 Times Square, New York, NY 10036; (iv) Steven Loy, Stoll Keenon Ogden, PLLC, 300

West Vine Street, Suite 2100, Lexington, KY 40507; and (v) Byron E. Leet, Wyatt Tarrant & Combs LLP, 500 West Jefferson Street, Suite 2800, Louisville, KY 40202.

11. Any objections, filings and other submissions by the objecting Class member must: (a) state the name, address and telephone number of the person objecting and, if represented by counsel, the name, address and telephone number of its/her/his counsel; (b) be signed by the objector; (c) contain a written detailed statement of the Class member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class member wishes to bring to the Court's attention; and (d) demonstrate that the objector is a member of the Class by including documents sufficient to prove that the objector held common stock of Delta during the Class Period.

12. Any Class member who does not make its/his/her objection in the manner provided in paragraphs 10 and 11 of this Order, shall: (a) have and be deemed to have waived and forfeited any and all rights it/she/he may otherwise have to object to the Settlement and/or any award of attorneys' fees and reimbursement of expenses to Plaintiffs' Counsel; (b) forever be foreclosed from making any objection to the fairness, adequacy or reasonableness of the Settlement, the Order and Final Judgment to be entered approving the Settlement, and the attorneys' fees and expenses requested and/or awarded, in this or any other proceeding; (c) be bound by all of the terms of the Stipulation and by all proceedings, orders and judgments entered by the Court in the Consolidated Action, including the Order and Final Judgment; and (d) have and be deemed to have waived its/her/his right to be heard, and otherwise be forever barred from being heard, with respect to any matters concerning the Settlement and/or the Order and Final Judgment.

13. None of the Released Persons shall have any responsibility whatsoever for any application for attorneys' fees and reimbursement of expenses submitted by Plaintiffs' Counsel

except as is expressly set forth in the Stipulation. Any application for attorneys' fees and reimbursement of expenses submitted by Plaintiffs' Counsel will be considered separately from the fairness, reasonableness and adequacy of the Settlement.

14. **Termination** – In the event that the Settlement is terminated pursuant to the terms of the Stipulation or the Effective Time does not otherwise occur: (a) the Settlement and the Stipulation shall be null and void and without prejudice to, or force and effect to or upon, the rights of the parties and none of their terms shall be effective or enforceable (except for those provisions contained in ¶¶ 2, 11, 12, 13 and 17 of the Stipulation); (b) the parties shall be deemed to have reverted to their respective litigation positions in the Consolidated Action and the Federal Action immediately prior to May 25, 2017 (including, without limitation, that the Class will not be deemed to have been certified); (c) except as otherwise expressly provided in the Stipulation, the parties shall proceed in all respects as if the MOU and the Stipulation had not been executed and this Scheduling Order (and any related orders) had not been entered; and (d) the MOU, the Stipulation, this Scheduling Order, the Settlement, and any discovery taken in the Consolidated Action or the Federal Action shall not: (i) be deemed to prejudice in any way the positions of the parties with respect to the Consolidated Action, the Federal Action, or any other litigation or judicial proceeding, (ii) constitute an admission of fact or wrongdoing by any of the parties, and/or (iii) be used in connection with the Consolidated Action, the Federal Action or any other litigation or judicial proceeding.

15. **Stay of Litigation** – All proceedings in the Consolidated Action, other than such proceedings as may be necessary to carry out the terms and conditions of the Settlement, are hereby stayed and suspended until further order of this Court. Pending final determination by the Court of whether the Settlement should be approved, Plaintiffs and all other Class members are barred

and enjoined from commencing, prosecuting, instigating, or in any way participating in the commencement, prosecution, or instigation of any of the Released Claims against any of the Released Persons.

16. **Use of This Order** – Whether or not the Settlement is approved by the Court and whether or not the Settlement is consummated, this Order, the facts and terms of the Settlement, the MOU and the Stipulation (including all of its exhibits), as well as all negotiations, discussions, acts performed, agreements, drafts, documents signed, orders entered and proceedings in connection with the Settlement, including any discovery taken in the Consolidated Action or the Federal Action (except with respect to the Stipulation itself, or as may be necessary to enforce or obtain Final Court Approval of the Settlement):

(a) shall not be described as, construed as, interpreted as, or offered or received against any of the Released Persons as evidence of and/or deemed to be evidence of any presumption, concession, or admission by any of the Released Persons as to: (i) the truth of any fact alleged in the Consolidated Action or the Federal Action; (ii) the validity of any claim that has been or could have been asserted in the Consolidated Action, the Federal Action or in any other litigation; (iii) the deficiency of any defense that has been or could have been asserted in the Consolidated Action, the Federal Action or in any other litigation; and/or (iv) any liability, breach of fiduciary duty, negligence, fault or wrongdoing on their part;

(b) shall not be described as, construed as, interpreted as or offered or received against Plaintiffs or any other Class member as evidence of any infirmity in the claims of Plaintiffs or any other Class member;

(c) shall not be construed, offered, interpreted, deemed or received in evidence or otherwise against any of the Released Persons in any other civil, criminal or administrative

action, litigation or proceeding, except in connection with any proceeding to enforce the terms of the Stipulation or this Scheduling Order; and

(d) shall not be deemed or construed to create any inferences of any damages, or lack of damages, suffered by Plaintiffs or any of the other Class members.

17. The Court retains jurisdiction over the Consolidated Action to consider all further applications arising out of or connected with the proposed Settlement.

IT IS SO ORDERED:

Dated:

Exhibit C

COMMONWEALTH OF KENTUCKY
CLARK CIRCUIT COURT
DIVISION ONE
JUDGE WILLIAM G. CLOUSE
CONS. CASE NO. 17-CI-00175

IN RE DELTA NATURAL GAS
COMPANY, INC. STOCKHOLDER
LITIGATION

:
:
:
:
:

: Cons. Case No. 17-CI-00175

**NOTICE OF PENDENCY OF CLASS ACTION,
CLASS ACTION DETERMINATION,
SETTLEMENT OF CLASS ACTION,
SETTLEMENT HEARING, AND RIGHT TO APPEAR**

TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF DELTA NATURAL GAS COMPANY, INC.'S COMMON STOCK BETWEEN FEBRUARY 21, 2017 AND SEPTEMBER 20, 2017, INCLUSIVE (THE "CLASS PERIOD"). THIS NOTICE WAS SENT TO YOU BY ORDER OF THE COURT. PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF THIS CLASS ACTION AND, IF YOU ARE A CLASS MEMBER, CONTAINS IMPORTANT INFORMATION AS TO YOUR RIGHTS CONCERNING THE SETTLEMENT DESCRIBED BELOW.

IF YOU HELD SHARES OF DELTA NATURAL GAS COMPANY, INC.'S STOCK FOR THE BENEFIT OF ANOTHER, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO THE BENEFICIAL OWNER.

This Notice is not a lawsuit against you. You are not being sued. You have received this Notice because you may be a member of the Class described in this Notice.

- The settlement ("Settlement") of the above-referenced consolidated action and the action styled as *Parshall v. Delta Natural Gas Company, Inc., et al.*, Case No. 5:17-cv-00194 filed in the United States District Court for the Eastern District of Kentucky (together, the "Actions") resolves these lawsuits which assert that Defendants breached their fiduciary duties to the stockholders of Delta Natural Gas Company, Inc. ("Delta" or the "Company"), or aided and abetted such breaches of fiduciary duty. The Actions included claims (1) that the members of the Delta board of directors breached their fiduciary duties to the public stockholders of Delta by recommending to stockholders a proposed sale of the Company to Peoples Natural Gas Company, LLC and PNG Companies, LLC (together, "PNG"), Drake Merger Sub, Inc. ("Merger Sub") and SteelRiver Infrastructure Fund North America, LP ("SteelRiver") that did not maximize stockholder value (the "Transaction"); and (2) that the Company's disclosures with respect to the Transaction were deficient. Defendants are Delta, its board of directors as of February 21, 2017 (Glenn R. Jennings, Linda K. Breathitt, Jacob P. Cline, III, Sandra C. Gray, Edward J. Holmes, Michael J. Kistner, Fred N. Parker, Rodney L. Short, and Arthur E. Walker, Jr.), PNG, Merger Sub and SteelRiver (collectively,

“Defendants”). Defendants have denied and continue to deny the allegations and any wrongdoing or breach whatsoever.

- The Settlement provides for the dissemination of a Supplement to Delta’s Definitive Proxy Statement on May 25, 2017, that contained certain additional disclosures regarding the Transaction, including: information regarding the process leading up to the Transaction, including employment-related discussions with Delta’s executive officers and confidentiality agreements Delta entered into with prospective bidders; additional details of the analyses performed by the Company’s financial advisor Tudor, Pickering, Holt & Co. Advisors, LLC (“TPH”) in evaluating the fairness of the Transaction to Delta stockholders; and certain financial projections provided to TPH by Delta management. The full text of the Form 8-K containing the Supplemental Disclosures, which was mailed to stockholders on May 25, 2017, is available at: [\[link\]](#)
- Plaintiffs believe that the Settlement provides a substantial benefit to the Class and avoids the costs and risks associated with continued litigation, including the danger of no recovery. In connection with the Transaction, Delta was required to disclose to Plaintiffs and the Class information related to the decision confronting Delta stockholders of whether to vote in favor of the Transaction.
- Defendants, solely to avoid the costs, disruption, and distraction of further litigation, and without admitting the validity of any allegations made in the Actions, or any liability with respect thereto, have concluded that it is desirable that the claims against them be settled and dismissed on the terms reflected in the Settlement.
- Plaintiffs’ counsel have not received any payment for conducting this lawsuit and negotiating the Settlement on behalf of the Class. Plaintiffs’ counsel will ask the Court to approve attorneys’ fees and expenses in the amount of \$330,000 (THREE HUNDRED THIRTY THOUSAND DOLLARS), which Delta (or its successor(s) in interest) has agreed to pay, subject to the Court’s approval. The amounts paid to Plaintiffs’ counsel for attorneys’ fees and reimbursement of expenses will not be paid out of amounts that would otherwise have been paid to members of the Class.

Your Legal Rights and Options in the Settlement:

DO NOTHING	You are giving up any and all claims against Defendants in connection with the Transaction between Delta and PNG.
OBJECT	You may write to the Court if you object to this Settlement.
GO TO A HEARING	You may ask to speak in Court about the fairness of the Settlement or the attorney fees requested by Plaintiffs’ counsel.

These rights and options – *and the deadlines for exercising them* – are explained below.

BASIC INFORMATION

1. **Why Did I Get This Notice?** You or someone in your family may have held shares of Delta common stock during the Class Period, and therefore you may be a Class member. The Court directed that this Notice be sent to you because you have a right to know about the proposed Settlement of these class action lawsuits, and about all of your options, before the Court decides whether to approve the Settlement.

2. **Why Is This a Class Action?** In a class action, one or more people or entities called class representatives or plaintiffs sue on behalf of people and entities who have similar claims. Here, all these people and entities are called Class members. One court resolves the issues for all Class members.

3. **Why Is There a Settlement?** The Court did not decide in favor of Plaintiffs or Defendants, all of whom have denied any and all wrongdoing and liability for the claims asserted against them in this case. Instead, all of the parties have agreed to a settlement, thereby avoiding the cost and risk of continued litigation, including a trial and possible appeals. Plaintiffs and their attorneys believe the Settlement is in the best interests of the Class members.

4. **How Do I Know if I Am Part of the Settlement?** The Class includes all persons and entities who held shares of Delta common stock at any time during the period between February 21, 2017 and September 20, 2017, inclusive, including within the Class the successors in interest and transferees of all such foregoing holders and/or owners, immediate, and remote, excluding the Defendants, their immediate family members, their directors or partners, their direct or indirect parent or subsidiary entities, or any person or entity over whom or which any Defendant exercises sole or exclusive control (the "Class").

THE LAWYERS REPRESENTING YOU

5. **Do I Have a Lawyer in This Case?** WeissLaw LLP, Levi & Korsinsky LLP, Rigrodsky & Long, P.A., Gray & White Law, and Strause Law Group, LLC, represent Class members. These lawyers are called Plaintiffs' counsel. You will not be charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

6. **How Will the Lawyers Be Paid?** Plaintiffs' counsel will ask the Court for an award of attorneys' fees and expenses in the amount of \$330,000 (THREE HUNDRED THIRTY THOUSAND DOLLARS). Delta (or its successor(s) in interest) have agreed to pay such amount subject to the Court's approval. Class members are not personally liable for any fees or expenses. To date, Plaintiffs' counsel have not been paid for their services in conducting this litigation on behalf of Plaintiffs and the Class, nor for their out-of-pocket expenses. The fee requested will compensate Plaintiffs' counsel for their work in achieving the Settlement.

OBJECTING TO THE SETTLEMENT

7. **How Do I Tell the Court That I Object to the Settlement?** If you are a Class member, you can object to the Settlement if you don't like any part of it. You can also object to Plaintiffs' counsel's request for attorneys' fees and expenses. You can give reasons why you think the Court should not approve the Settlement or Plaintiffs' counsel's request for attorneys' fees and expenses. The Court will consider your views. To object, you must send a letter saying that you object and the reasons why you object, and include your name, address and telephone number, as well as proof of membership in the Class, including a listing of your holdings in Delta stock during the Class Period. Mail the letter to the following places so that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing on [REDACTED].

Clerk of the Court:

Clark County Circuit Court Clerk
17 Cleveland Ave.
P.O. Box 687
Winchester, KY 40392

Counsel for Plaintiffs:

Donald J. Enright
LEVI & KORSINSKY LLP
1101 30th Street, NW, Suite 115
Washington, DC 20007

Mark K. Gray
GRAY & WHITE LAW
713 E. Market St. #200
Louisville, KY 40202

Counsel for Defendants:

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LLP
500 West Jefferson Street
Suite 2800
Louisville, KY 40202

THE COURT'S FAIRNESS HEARING**8. When and Where Will the Court Decide Whether to Approve the Settlement?**

The court will hold a Settlement Hearing at a.m./p.m. on , before:

The Honorable William G. Clouse
Clark County Circuit Court
17 Cleveland Ave.
Winchester, KY 40392

9. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them at that time, and will listen to any Class member who has asked to speak at the hearing. The Court will also consider whether and how much to pay Plaintiffs' counsel. You should be aware that the Court may change the date and time of the hearing. If you want to come to the hearing, you should check with the Court before coming to be sure that the date and/or time has not changed.

10. **Do I Have to Come to the Hearing?** No. Plaintiffs' counsel will answer questions the Court may have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you submitted your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

11. **May I Speak at the Hearing?** You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter to everyone listed in Question No. 7 above saying that you intend to appear at the hearing. Be sure to include your name, address, telephone number, proof of membership in the Class (including a listing of your holdings in Delta stock during the Class Period), a detailed statement of your objection or objections, and the specific reasons for each objection, including any legal and evidentiary support you wish to bring to the Court's attention, and your signature. Your notice of intention to appear must be received no later than twenty-one (21) calendar days prior to the Settlement Hearing on [REDACTED].

GETTING MORE INFORMATION

12. **Are There More Details About the Settlement?** This Notice summarizes the proposed Settlement. More details are in the Stipulation and Agreement of Compromise, Settlement, and Release ("Stipulation") dated [REDACTED], 2018. You can get a copy of the Stipulation during business hours at the Clerk of the Court:

**Clark County Circuit Court Clerk
17 Cleveland Ave.
Winchester, KY 40392**

or by writing to Donald J. Enright and Elizabeth K. Tripodi, Levi & Korsinsky LLP, 1101 30th Street, NW, Suite 115, Washington, DC 20007. If you have questions or want to get additional information, you can call (202) 524-4291 or write to Elizabeth K. Tripodi at the above address.

SPECIAL NOTICE TO NOMINEES

Brokerage firms, banks and/or other persons or entities who held shares of Delta common stock at any time between February 21, 2017 and September 20, 2017, inclusive, for the benefit of others are requested to immediately send this Notice to all of such beneficial owners. If additional copies of the Notice are needed for forwarding to such beneficial owners, any requests for such additional copies or provision of a list of names and mailing addresses of beneficial owners may be made to:

[NOTICE ADMINISTRATOR]

Such brokerage firms, banks and/or other persons or entities requesting additional copies or providing a list of names and mailing addresses of beneficial owners will be reimbursed for documented reasonable out-of-pocket expenses incurred in providing such additional copies or providing a list of names and mailing addresses of beneficial owners.

PLEASE DO NOT CALL THE COURT REGARDING THIS NOTICE

Dated: _____, 2018

BY ORDER OF THE CLARK CIRCUIT COURT
IN THE COMMONWEALTH OF KENTUCKY

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STP : 000055 of 000062

Exhibit D

COMMONWEALTH OF KENTUCKY
CLARK CIRCUIT COURT
DIVISION ONE
JUDGE WILLIAM G. CLOUSE
CONS. CASE NO. 17-CI-00175

IN RE DELTA NATURAL GAS
COMPANY, INC. STOCKHOLDER
LITIGATION

:
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: Cons. Case No. 17-CI-00175
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ORDER AND FINAL JUDGMENT

This matter having come before the Court upon a motion for final approval of the terms of a Stipulation and Agreement of Compromise, Settlement, and Release, dated [REDACTED], 2018 (the “Stipulation”), made and entered into by and among Jacob Halberstam and Judy Cole, plaintiffs in the above-captioned consolidated action (the “Consolidated Action”), and plaintiff Paul Parshall in the action filed in the United States District Court for the Eastern District of Kentucky (the “Federal Action”) (Jacob Halberstam, Judy Cole, and Paul Parshall, collectively “Plaintiffs”), on behalf of themselves and the members of the Class (defined herein), and defendants Glenn R. Jennings, Linda K. Breathitt, Jacob P. Cline, III, Sandra C. Gray, Edward J. Holmes, Michael J. Kistner, Fred N. Parker, Rodney L. Short, Arthur E. Walker, Jr., (collectively, “Individual Defendants”), Delta Natural Gas Company, Inc. (“Delta”), Peoples Natural Gas Company, LLC and PNG Companies, LLC (together, “PNG”), Drake Merger Sub, Inc. (“Merger Sub”), and SteelRiver Infrastructure Fund North America, LP (“SteelRiver”) (together with the Individual Defendants, “Defendants”), by and through their respective attorneys; and the Court, having held a hearing, as noticed, on _____, 2018, at ____ a.m./p.m. (the “Settlement Hearing”) to consider the proposed settlement as embodied in the Stipulation (the “Settlement”); and the Court

having determined due and adequate notice of said hearing was given in accordance with the Scheduling Order and that said notice was adequate and sufficient; and the parties having appeared by their attorneys of record; and the attorneys for the respective parties having been heard in support of the Settlement of the Consolidated Action (including dismissal with prejudice of the Federal Action) for which the Stipulation provides therein; and an opportunity to be heard having been given to all other persons desiring to be heard as provided in the Notice; and the entire matter of the Settlement having been considered by the Court,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, this ____ day of _____, 2018, as follows:

1. Unless otherwise defined herein, all defined terms shall have the meanings as set forth in the Stipulation.
2. This Court has jurisdiction over the subject matter of the Consolidated Action and, for the purposes of settlement of the Consolidated Action only, over all parties to the Consolidated Action, including but not limited to, Plaintiffs, all members of the Class, and the Defendants.
3. Based on the record in the Consolidated Action, the Court confirms that each of the requirements of Kentucky Rule of Civil Procedure 23.01, *et seq.* has been satisfied, in that (a) the Class is so numerous that joinder of all members is impracticable, (b) there are questions of law and fact common to the Class which predominate over any questions affecting only individual members, (c) the claims or defenses of the representative parties are typical of the claims or defenses of the Class, (d) the Plaintiffs and their counsel have fairly and adequately protected the interests of the Class, and (e) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.
4. Pursuant to Kentucky Rule of Civil Procedure 23.01, *et seq.*, the Court hereby

certifies a Class (for settlement purposes only) consisting of a non-opt-out class of all persons who held or owned common stock of Delta (whether as a record or a beneficial owner) at any time during the period beginning on and including February 21, 2017 through and including the consummation of the Transaction on September 30, 2017, and any and all of their successors-in-interest and transferees, immediate and remote. The Defendants are excluded from the Class.

5. Solely for purposes of the Settlement, the Court appoints Jacob Halberstam, Judy Cole and Paul Parshall as Class Representatives and the law firms of WeissLaw LLP, Levi & Korsinsky LLP and Rigrodsky & Long, P.A. as Class Counsel (“Class Counsel”) and Gray & White Law and Strause Law Group, LLC as liaison counsel to the Class (“Liaison Counsel,” together with Class Counsel, “Plaintiffs’ Counsel”). The Court finds that the Class Representatives and Plaintiffs’ Counsel have fairly and adequately represented the interests of the Class.

6. The Notice of Pendency of Class Action, Class Action Determination, Settlement of Class Action, Settlement Hearing, and Right to Appear (the “Notice”) was sent to the Class pursuant to and in the manner directed by the Scheduling Order. A full opportunity to be heard has been afforded to all parties, the Class and persons in interest. The form and manner of the Notice is hereby determined to have been the best notice practicable under the circumstances and is due and sufficient notice to the Class members pursuant to Kentucky law and due process, and it is further determined that all members of the Class are bound by this Order and Final Judgment.

7. The Court finds that the Settlement set forth in the Stipulation should be approved. Accordingly, the Stipulation and the terms of the Settlement as described in the Stipulation, including those provisions providing for the resolution of Plaintiffs’ Counsel’s claims for attorneys’ fees and reimbursement of expenses, are hereby approved in their entirety, pursuant to the requirements of Kentucky Rule of Civil Procedure 23.05. The parties to the Settlement are

hereby directed to consummate the Settlement in accordance with the terms and provisions of the Stipulation. Plaintiffs, all Class members and Defendants are hereby bound by the terms of the Settlement as set forth in the Stipulation.

8. The Consolidated Action and the Released Claims (defined below) are hereby dismissed on the merits with prejudice as to all Defendants in the Consolidated Action and against all members of the Class on the merits and, except as provided in the Stipulation, without fees or costs.

9. “Released Claims” means all known and unknown claims (including Unknown Claims (defined below)) for damages, injunctive relief, or any other remedy against all Released Persons (as defined below) that have been or could have been asserted by any member of the proposed Class in any forum, including class, derivative, individual, direct, indirect, or other claims, whether state, federal, or foreign, common law, statutory, or regulatory, including, without limitation, claims under the federal securities laws, arising out of, related to, or concerning: (i) the allegations contained in the Consolidated Action and the Federal Action; (ii) the Transaction, the Merger Agreement, the process leading to the execution of the Merger Agreement, and any negotiations, deliberations, contemplation, consideration and approval thereof, any agreements, and disclosures relating to the Transaction, and any compensation or other payments made to any of the Defendants in connection with or as a result of the Transaction; (iii) Delta’s Preliminary Proxy and Definitive Proxy, and any amendments thereto, and any other disclosures or filings relating, directly or indirectly, to the Transaction, the Merger Agreement, the process leading to the matters and agreements referenced in clause (ii) above, or execution of the Merger Agreement; (iv) the negotiations leading up to the matters and agreements referenced in clause (ii) above; and (v) any matter that could have been asserted in the Consolidated Action and the Federal Action

regarding the matters and agreements referenced in clause (ii) above or any disclosure or alleged failure to disclose material facts to stockholders in connection with the Transaction, by or on behalf of any person, or any alleged aiding and abetting of any of the foregoing, provided, however, that the claims to be released shall not include (1) the right of any Class member or any of the Defendants to enforce the terms of this Stipulation or the Settlement; and (ii) any claims for appraisal under KRS 271B.13-280 or other applicable statute.

10. “Released Persons” means, all Defendants in the Consolidated Action or the Federal Action (including all current directors and officers of Delta, Merger Sub, SteelRiver, and PNG, whether named as defendants or not), and non-party TPH, and any of their present or former affiliates, parents, subsidiaries (including the directors and officers of such affiliates, parents, and subsidiaries), general partners, limited partners, partnerships, and their respective officers, directors, managing directors, employees, agents, attorneys, advisors, insurers, accountants, auditors, trustees, financial advisors, lenders, investment bankers, associates, representatives, heirs, executors, personal representatives, estates, administrators, successors, and assigns.

11. “Unknown Claims” means claims that any member of the Class or any Defendant does not know or suspect to exist at the time of the release relating in any way to the Transaction, which, if known, might have affected the decision to enter into the release or to object or not to object to the Settlement.

12. Any and all claims, complaints, liabilities, sanctions, petitions or allegations (including Unknown Claims) arising out of, relating to, or in connection with, the institution, prosecution, assertion, settlement or resolution of the Consolidated Action or the Released Claims, are hereby completely, fully, finally, and forever released, relinquished, settled, extinguished, discharged, and dismissed with prejudice; *provided, however*, that nothing herein shall prevent any

party from enforcing the terms of this Stipulation or the Settlement.

13. The Court approves the Settlement and hereby dismisses the Consolidated Action with prejudice in its entirety, except as provided in the Stipulation, without court costs to any party as against any other party and permanently bars and enjoins the institution and prosecution by Plaintiffs and any member of the Class of any other action against any Released person in any court asserting any Released Claims.

14. Neither the MOU, the Stipulation, the Settlement, this Order and Final Judgment, nor any act performed or document executed pursuant to or in furtherance of the MOU, the Stipulation, or the Settlement, nor any discovery taken in the Consolidated Action or the Federal Action (i) is or may be deemed to be or may be used as an admission of, concession of, or evidence of, the validity or lack of validity of any Released Claims or any wrongdoing or liability of Defendants; (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the parties in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal; or (iii) is or may be alleged or mentioned so as to contravene clause (i) above in any litigation or other action unrelated to the enforcement of the Stipulation. Notwithstanding the foregoing, any of the Released Persons may file the Stipulation or any judgment or order of the Court related hereto, in any action that may be brought against them, in order to support any and all defenses or counterclaims based on the entire controversy doctrine, res judicata, collateral estoppel, release, good-faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion, or similar defense or counterclaim.

15. Plaintiffs' Counsel are hereby awarded attorneys' fees and expenses in the total amount of \$_____, which sum the Court finds to be fair, reasonable, and in accordance with applicable law, and which shall be paid to Plaintiffs' Counsel in accordance with

the terms of the Stipulation.

16. The effectiveness of the Order and Final Judgment and the obligations of Plaintiffs, Plaintiffs' Counsel, the Class, and the Defendants under the Settlement shall not be conditioned upon or subject to the resolution of any appeal that relates solely to the issue of Plaintiffs' Counsel's application for an award of attorneys' fees and expenses.

17. The Court further orders, adjudges, and decrees that all other relief be, and is hereby, denied, and that this Order and Final Judgment disposes of all the claims and all the parties in the above-styled and numbered Consolidated Action.

18. Without affecting the finality of this Order and Final Judgment in any way, this Court reserves jurisdiction over all matters relating to the enforcement and administration of the Settlement.

19. There being no just reason for delay, the Court hereby directs that this Order and Final Judgment be entered by the Clerk of the Court.

Dated: _____

Hon. William G. Clouse
Clark Circuit Judge
First Division

Exhibit B

COMMONWEALTH OF KENTUCKY
CLARK CIRCUIT COURT
DIVISION ONE
JUDGE WILLIAM G. CLOUSE
CONS. CASE NO. 17-CI-00175

IN RE DELTA NATURAL GAS
COMPANY, INC. STOCKHOLDER
LITIGATION

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: Cons. Case No. 17-CI-00175

SCHEDULING ORDER

WHEREAS, the parties have determined to settle all claims asserted against the Defendants in the above-captioned consolidated action (the “Consolidated Action”) and the action styled as *Parshall v. Delta Natural Gas Company, Inc., et al.*, Case No. 5:17-cv-00194 filed in the United States District Court for the Eastern District of Kentucky (the “Federal Action”) in accordance with a Stipulation and Agreement of Compromise, Settlement, and Release dated [REDACTED], 2018 (the “Stipulation”), which, together with the exhibits thereto, *inter alia*, sets forth the terms and conditions for the settlement of the Consolidated Action (the “Settlement”) and which provides for dismissal of the Consolidated Action with prejudice; and

WHEREAS, the Stipulation has been filed with the Court and the parties have filed a motion, pursuant to Kentucky Rule of Civil Procedure 23, for entry of this Scheduling Order preliminarily certifying the Class solely for purposes of the Settlement and allowing notice to the Class members as more fully described herein and scheduling a hearing to consider the proposed Settlement; and

WHEREAS, the parties have consented to the entry of this Scheduling Order; and

WHEREAS, the Court has read and considered the Stipulation and the exhibits attached thereto and considered the parties' motion for entry of this Scheduling Order; and

WHEREAS, this Order hereby incorporates by reference the definitions in the Stipulation, and the capitalized words and terms used herein shall have the same meaning as they have in the Stipulation (certain of which are repeated herein for ease of reference only);

IT IS HEREBY ORDERED this ____ day of _____, 2018, that:

1. **Class Certification for Settlement Purposes** – For purposes of the Settlement only, and preliminarily for purposes of this Order, the Consolidated Action shall be maintained and proceed as a class action pursuant to Kentucky Rule of Civil Procedure 23.03 on behalf of the following Class (the "Class"): any person who held or owned common stock of Delta Natural Gas Company, Inc. ("Delta") (whether as a record or a beneficial owner) at any time during the period beginning on and including February 21, 2017 through and including the consummation of the Transaction on September 20, 2017, and any and all of their successors-in-interest, and transferees, immediate and remote. The Defendants are excluded from the Class.

2. For purposes of the Settlement only, and preliminarily for purposes of this Order, the Court appoints Jacob Halberstam, Judy Cole and Paul Parshall as Class Representatives, WeissLaw LLP, Levi & Korsinsky LLP and Rigrodsky & Long, P.A. as Class Counsel, and Gray & White Law and Strause Law Group, LLC as Class Liaison Counsel (together, "Plaintiffs' Counsel").

3. If final approval of the Settlement is not granted by the Court, this preliminary certification of the Consolidated Action as a class action (as well as the appointment of Class Representatives, Class Counsel, and Class Liaison Counsel) shall be automatically vacated.

4. **Settlement Hearing** – A hearing (the “Settlement Hearing”) shall be held on _____, 2018, at _____.m. in the Clark Circuit Court in the Commonwealth of Kentucky at Governor James Clark Judicial Center, 17 Cleveland Ave., Winchester, Kentucky 40392, for the following purposes: (a) to determine whether the proposed Settlement, on the terms and conditions provided for in the Stipulation, is fair, reasonable, adequate and in the best interests of the Class and should be approved by the Court; (b) to determine whether the preliminary class certification described in this Order should be made final; (c) to determine whether the Court should enter the Order and Final Judgment substantially in the form attached as Exhibit D to the Stipulation, which, among other things, dismisses the Consolidated Action with prejudice and effectuates the Releases set forth in the Stipulation; (d) to hear the application by Plaintiffs’ Counsel for an award of attorneys’ fees and reimbursement of expenses; and (e) to consider and rule on any such other matters as the Court may deem appropriate.

5. The Court reserves the right: (a) to adjourn the Settlement Hearing without further notice of any kind to the Class other than by oral announcement at the Settlement Hearing; and (b) to approve the Settlement at or after the Settlement Hearing with such modification(s) as may be consented to by the parties and without further notice to the Class.

6. **Manner of Notice** – Notice of Pendency of Class Action, Class Action Determination, Settlement of Class Action, Settlement Hearing, and Right to Appear (“Notice”) shall be given by Defendants as follows:

(a) No later than fifteen (15) calendar days after the entry of this Order (the “Notice Date”), Delta shall cause a copy of the Notice, substantially in the form attached as Exhibit C to the Stipulation, to be mailed by first-class mail, postage prepaid, to all persons who it has identified as potential Class members;

(b) No later than five (5) calendar days prior to the date of the Settlement Hearing, counsel for Defendants shall file with the Court and serve upon the Plaintiffs, by affidavit or declaration, proof of compliance with the notice procedures directed herein.

7. **Approval of Form and Content of Notice** – The Court: (a) approves, as to both form and content, the Notice attached as Exhibit C to the Stipulation; and (b) finds that the mailing and distribution of the Notice in the manner and form set forth in paragraph 6 of this Order: (i) is the best notice reasonably practicable under the circumstances, (ii) constitutes notice that is reasonably calculated, under the circumstances, to apprise the Class members of the pendency of the Consolidated Action, of the terms, consequences and effects of the Settlement (including, without limitation, the Releases to be provided thereunder), and of their rights to object to the proposed Settlement and appear at the Settlement Hearing, (iii) constitutes due, adequate and sufficient notice to all persons entitled to receive notice of the proposed Settlement, and (iv) satisfies the requirements of Kentucky Rule of Civil Procedure 23, the United States Constitution (including the Due Process Clause) and all other applicable law and rules. The date and time of the Settlement Hearing shall be included in the Notice before they are mailed and published, respectively.

8. **Supporting Papers and Objections** – Plaintiffs' Counsel shall file and serve papers in support of final approval of the proposed Settlement and their application for an award of attorneys' fees and reimbursement of expenses no later than thirty (30) calendar days prior to the Settlement Hearing. Any objections to the Settlement and/or the application for an award of attorneys' fees and litigation expenses shall be filed and served no later than twenty-one (21) calendar days prior to the Settlement Hearing. If reply papers are necessary, they are to be filed and served no later than seven (7) calendar days prior to the Settlement Hearing.

9. Any Class member may enter an appearance in the Consolidated Action, at its/her/his own expense, individually or through counsel of its/her/his own choice, by filing with the Clerk of the Court and delivering a notice of appearance to both Plaintiffs' Counsel and Defendants' counsel listed in the Notice such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing, or as the Court may otherwise direct. Any Class member who does not enter an appearance will be represented by Plaintiffs' Counsel, and shall have and be deemed to have waived and forfeited any and all rights its/she/he may otherwise have to appear separately at the Settlement Hearing.

10. Any Class member may file a written objection to the proposed Settlement and/or the application by Plaintiffs' Counsel for an award of attorneys' fees and reimbursement of expenses and appear and show cause, if it/she/he has any cause, why the proposed Settlement and/or the fee and litigation expense application should not be approved; provided, however, that no Class member shall be heard or entitled to contest the approval of the terms and conditions of the proposed Settlement and/or the fee and litigation expense application unless that person has: (a) filed a written objection with the Clark Circuit Court in the Commonwealth of Kentucky, Governor James Clark Judicial Center, 17 Cleveland Avenue, P.O. Box 687, Winchester, Kentucky 40392, and (b) served copies of such objection in the manner provided in the Notice such that it is received no later than twenty-one (21) calendar days prior to the Settlement Hearing on each of the following counsel: (i) Donald J. Enright, Levi & Korsinsky LLP, 1101 30th Street, NW, Suite 115, Washington, D.C. 20007; (ii) Mark Gray, Gray & White Law, 713 E. Market St. #200, Louisville, KY 40202; (iii) Edward N. Moss, O'Melveny & Myers LLP, Times Square Tower, 7 Times Square, New York, NY 10036; (iv) Steven Loy, Stoll Keenon Ogden, PLLC, 300

West Vine Street, Suite 2100, Lexington, KY 40507; and (v) Byron E. Leet, Wyatt Tarrant & Combs LLP, 500 West Jefferson Street, Suite 2800, Louisville, KY 40202.

11. Any objections, filings and other submissions by the objecting Class member must: (a) state the name, address and telephone number of the person objecting and, if represented by counsel, the name, address and telephone number of its/her/his counsel; (b) be signed by the objector; (c) contain a written detailed statement of the Class member's objection or objections, and the specific reasons for each objection, including any legal and evidentiary support the Class member wishes to bring to the Court's attention; and (d) demonstrate that the objector is a member of the Class by including documents sufficient to prove that the objector held common stock of Delta during the Class Period.

12. Any Class member who does not make its/his/her objection in the manner provided in paragraphs 10 and 11 of this Order, shall: (a) have and be deemed to have waived and forfeited any and all rights it/she/he may otherwise have to object to the Settlement and/or any award of attorneys' fees and reimbursement of expenses to Plaintiffs' Counsel; (b) forever be foreclosed from making any objection to the fairness, adequacy or reasonableness of the Settlement, the Order and Final Judgment to be entered approving the Settlement, and the attorneys' fees and expenses requested and/or awarded, in this or any other proceeding; (c) be bound by all of the terms of the Stipulation and by all proceedings, orders and judgments entered by the Court in the Consolidated Action, including the Order and Final Judgment; and (d) have and be deemed to have waived its/her/his right to be heard, and otherwise be forever barred from being heard, with respect to any matters concerning the Settlement and/or the Order and Final Judgment.

13. None of the Released Persons shall have any responsibility whatsoever for any application for attorneys' fees and reimbursement of expenses submitted by Plaintiffs' Counsel

except as is expressly set forth in the Stipulation. Any application for attorneys' fees and reimbursement of expenses submitted by Plaintiffs' Counsel will be considered separately from the fairness, reasonableness and adequacy of the Settlement.

14. **Termination** – In the event that the Settlement is terminated pursuant to the terms of the Stipulation or the Effective Time does not otherwise occur: (a) the Settlement and the Stipulation shall be null and void and without prejudice to, or force and effect to or upon, the rights of the parties and none of their terms shall be effective or enforceable (except for those provisions contained in ¶¶ 2, 11, 12, 13 and 17 of the Stipulation); (b) the parties shall be deemed to have reverted to their respective litigation positions in the Consolidated Action and the Federal Action immediately prior to May 25, 2017 (including, without limitation, that the Class will not be deemed to have been certified); (c) except as otherwise expressly provided in the Stipulation, the parties shall proceed in all respects as if the MOU and the Stipulation had not been executed and this Scheduling Order (and any related orders) had not been entered; and (d) the MOU, the Stipulation, this Scheduling Order, the Settlement, and any discovery taken in the Consolidated Action or the Federal Action shall not: (i) be deemed to prejudice in any way the positions of the parties with respect to the Consolidated Action, the Federal Action, or any other litigation or judicial proceeding, (ii) constitute an admission of fact or wrongdoing by any of the parties, and/or (iii) be used in connection with the Consolidated Action, the Federal Action or any other litigation or judicial proceeding.

15. **Stay of Litigation** – All proceedings in the Consolidated Action, other than such proceedings as may be necessary to carry out the terms and conditions of the Settlement, are hereby stayed and suspended until further order of this Court. Pending final determination by the Court of whether the Settlement should be approved, Plaintiffs and all other Class members are barred

and enjoined from commencing, prosecuting, instigating, or in any way participating in the commencement, prosecution, or instigation of any of the Released Claims against any of the Released Persons.

16. **Use of This Order** – Whether or not the Settlement is approved by the Court and whether or not the Settlement is consummated, this Order, the facts and terms of the Settlement, the MOU and the Stipulation (including all of its exhibits), as well as all negotiations, discussions, acts performed, agreements, drafts, documents signed, orders entered and proceedings in connection with the Settlement, including any discovery taken in the Consolidated Action or the Federal Action (except with respect to the Stipulation itself, or as may be necessary to enforce or obtain Final Court Approval of the Settlement):

(a) shall not be described as, construed as, interpreted as, or offered or received against any of the Released Persons as evidence of and/or deemed to be evidence of any presumption, concession, or admission by any of the Released Persons as to: (i) the truth of any fact alleged in the Consolidated Action or the Federal Action; (ii) the validity of any claim that has been or could have been asserted in the Consolidated Action, the Federal Action or in any other litigation; (iii) the deficiency of any defense that has been or could have been asserted in the Consolidated Action, the Federal Action or in any other litigation; and/or (iv) any liability, breach of fiduciary duty, negligence, fault or wrongdoing on their part;

(b) shall not be described as, construed as, interpreted as or offered or received against Plaintiffs or any other Class member as evidence of any infirmity in the claims of Plaintiffs or any other Class member;

(c) shall not be construed, offered, interpreted, deemed or received in evidence or otherwise against any of the Released Persons in any other civil, criminal or administrative

action, litigation or proceeding, except in connection with any proceeding to enforce the terms of the Stipulation or this Scheduling Order; and

(d) shall not be deemed or construed to create any inferences of any damages, or lack of damages, suffered by Plaintiffs or any of the other Class members.

17. The Court retains jurisdiction over the Consolidated Action to consider all further applications arising out of or connected with the proposed Settlement.

IT IS SO ORDERED:

Dated:

Exhibit D

COMMONWEALTH OF KENTUCKY
CLARK CIRCUIT COURT
DIVISION ONE
JUDGE WILLIAM G. CLOUSE
CONS. CASE NO. 17-CI-00175

IN RE DELTA NATURAL GAS
COMPANY, INC. STOCKHOLDER
LITIGATION

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: Cons. Case No. 17-CI-00175

ORDER AND FINAL JUDGMENT

This matter having come before the Court upon a motion for final approval of the terms of a Stipulation and Agreement of Compromise, Settlement, and Release, dated [REDACTED], 2018 (the “Stipulation”), made and entered into by and among Jacob Halberstam and Judy Cole, plaintiffs in the above-captioned consolidated action (the “Consolidated Action”), and plaintiff Paul Parshall in the action filed in the United States District Court for the Eastern District of Kentucky (the “Federal Action”) (Jacob Halberstam, Judy Cole, and Paul Parshall, collectively “Plaintiffs”), on behalf of themselves and the members of the Class (defined herein), and defendants Glenn R. Jennings, Linda K. Breathitt, Jacob P. Cline, III, Sandra C. Gray, Edward J. Holmes, Michael J. Kistner, Fred N. Parker, Rodney L. Short, Arthur E. Walker, Jr., (collectively, “Individual Defendants”), Delta Natural Gas Company, Inc. (“Delta”), Peoples Natural Gas Company, LLC and PNG Companies, LLC (together, “PNG”), Drake Merger Sub, Inc. (“Merger Sub”), and SteelRiver Infrastructure Fund North America, LP (“SteelRiver”) (together with the Individual Defendants, “Defendants”), by and through their respective attorneys; and the Court, having held a hearing, as noticed, on _____, 2018, at ____ a.m./p.m. (the “Settlement Hearing”) to consider the proposed settlement as embodied in the Stipulation (the “Settlement”); and the Court

having determined due and adequate notice of said hearing was given in accordance with the Scheduling Order and that said notice was adequate and sufficient; and the parties having appeared by their attorneys of record; and the attorneys for the respective parties having been heard in support of the Settlement of the Consolidated Action (including dismissal with prejudice of the Federal Action) for which the Stipulation provides therein; and an opportunity to be heard having been given to all other persons desiring to be heard as provided in the Notice; and the entire matter of the Settlement having been considered by the Court,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, this ____ day of _____, 2018, as follows:

1. Unless otherwise defined herein, all defined terms shall have the meanings as set forth in the Stipulation.
2. This Court has jurisdiction over the subject matter of the Consolidated Action and, for the purposes of settlement of the Consolidated Action only, over all parties to the Consolidated Action, including but not limited to, Plaintiffs, all members of the Class, and the Defendants.
3. Based on the record in the Consolidated Action, the Court confirms that each of the requirements of Kentucky Rule of Civil Procedure 23.01, *et seq.* has been satisfied, in that (a) the Class is so numerous that joinder of all members is impracticable, (b) there are questions of law and fact common to the Class which predominate over any questions affecting only individual members, (c) the claims or defenses of the representative parties are typical of the claims or defenses of the Class, (d) the Plaintiffs and their counsel have fairly and adequately protected the interests of the Class, and (e) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.
4. Pursuant to Kentucky Rule of Civil Procedure 23.01, *et seq.*, the Court hereby

certifies a Class (for settlement purposes only) consisting of a non-opt-out class of all persons who held or owned common stock of Delta (whether as a record or a beneficial owner) at any time during the period beginning on and including February 21, 2017 through and including the consummation of the Transaction on September 30, 2017, and any and all of their successors-in-interest and transferees, immediate and remote. The Defendants are excluded from the Class.

5. Solely for purposes of the Settlement, the Court appoints Jacob Halberstam, Judy Cole and Paul Parshall as Class Representatives and the law firms of WeissLaw LLP, Levi & Korsinsky LLP and Rigrodsky & Long, P.A. as Class Counsel (“Class Counsel”) and Gray & White Law and Strause Law Group, LLC as liaison counsel to the Class (“Liaison Counsel,” together with Class Counsel, “Plaintiffs’ Counsel”). The Court finds that the Class Representatives and Plaintiffs’ Counsel have fairly and adequately represented the interests of the Class.

6. The Notice of Pendency of Class Action, Class Action Determination, Settlement of Class Action, Settlement Hearing, and Right to Appear (the “Notice”) was sent to the Class pursuant to and in the manner directed by the Scheduling Order. A full opportunity to be heard has been afforded to all parties, the Class and persons in interest. The form and manner of the Notice is hereby determined to have been the best notice practicable under the circumstances and is due and sufficient notice to the Class members pursuant to Kentucky law and due process, and it is further determined that all members of the Class are bound by this Order and Final Judgment.

7. The Court finds that the Settlement set forth in the Stipulation should be approved. Accordingly, the Stipulation and the terms of the Settlement as described in the Stipulation, including those provisions providing for the resolution of Plaintiffs’ Counsel’s claims for attorneys’ fees and reimbursement of expenses, are hereby approved in their entirety, pursuant to the requirements of Kentucky Rule of Civil Procedure 23.05. The parties to the Settlement are

hereby directed to consummate the Settlement in accordance with the terms and provisions of the Stipulation. Plaintiffs, all Class members and Defendants are hereby bound by the terms of the Settlement as set forth in the Stipulation.

8. The Consolidated Action and the Released Claims (defined below) are hereby dismissed on the merits with prejudice as to all Defendants in the Consolidated Action and against all members of the Class on the merits and, except as provided in the Stipulation, without fees or costs.

9. “Released Claims” means all known and unknown claims (including Unknown Claims (defined below)) for damages, injunctive relief, or any other remedy against all Released Persons (as defined below) that have been or could have been asserted by any member of the proposed Class in any forum, including class, derivative, individual, direct, indirect, or other claims, whether state, federal, or foreign, common law, statutory, or regulatory, including, without limitation, claims under the federal securities laws, arising out of, related to, or concerning: (i) the allegations contained in the Consolidated Action and the Federal Action; (ii) the Transaction, the Merger Agreement, the process leading to the execution of the Merger Agreement, and any negotiations, deliberations, contemplation, consideration and approval thereof, any agreements, and disclosures relating to the Transaction, and any compensation or other payments made to any of the Defendants in connection with or as a result of the Transaction; (iii) Delta’s Preliminary Proxy and Definitive Proxy, and any amendments thereto, and any other disclosures or filings relating, directly or indirectly, to the Transaction, the Merger Agreement, the process leading to the matters and agreements referenced in clause (ii) above, or execution of the Merger Agreement; (iv) the negotiations leading up to the matters and agreements referenced in clause (ii) above; and (v) any matter that could have been asserted in the Consolidated Action and the Federal Action

regarding the matters and agreements referenced in clause (ii) above or any disclosure or alleged failure to disclose material facts to stockholders in connection with the Transaction, by or on behalf of any person, or any alleged aiding and abetting of any of the foregoing, provided, however, that the claims to be released shall not include (1) the right of any Class member or any of the Defendants to enforce the terms of this Stipulation or the Settlement; and (ii) any claims for appraisal under KRS 271B.13-280 or other applicable statute.

10. “Released Persons” means, all Defendants in the Consolidated Action or the Federal Action (including all current directors and officers of Delta, Merger Sub, SteelRiver, and PNG, whether named as defendants or not), and non-party TPH, and any of their present or former affiliates, parents, subsidiaries (including the directors and officers of such affiliates, parents, and subsidiaries), general partners, limited partners, partnerships, and their respective officers, directors, managing directors, employees, agents, attorneys, advisors, insurers, accountants, auditors, trustees, financial advisors, lenders, investment bankers, associates, representatives, heirs, executors, personal representatives, estates, administrators, successors, and assigns.

11. “Unknown Claims” means claims that any member of the Class or any Defendant does not know or suspect to exist at the time of the release relating in any way to the Transaction, which, if known, might have affected the decision to enter into the release or to object or not to object to the Settlement.

12. Any and all claims, complaints, liabilities, sanctions, petitions or allegations (including Unknown Claims) arising out of, relating to, or in connection with, the institution, prosecution, assertion, settlement or resolution of the Consolidated Action or the Released Claims, are hereby completely, fully, finally, and forever released, relinquished, settled, extinguished, discharged, and dismissed with prejudice; *provided, however*, that nothing herein shall prevent any

party from enforcing the terms of this Stipulation or the Settlement.

13. The Court approves the Settlement and hereby dismisses the Consolidated Action with prejudice in its entirety, except as provided in the Stipulation, without court costs to any party as against any other party and permanently bars and enjoins the institution and prosecution by Plaintiffs and any member of the Class of any other action against any Released person in any court asserting any Released Claims.

14. Neither the MOU, the Stipulation, the Settlement, this Order and Final Judgment, nor any act performed or document executed pursuant to or in furtherance of the MOU, the Stipulation, or the Settlement, nor any discovery taken in the Consolidated Action or the Federal Action (i) is or may be deemed to be or may be used as an admission of, concession of, or evidence of, the validity or lack of validity of any Released Claims or any wrongdoing or liability of Defendants; (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any of the parties in any civil, criminal, or administrative proceeding in any court, administrative agency, or other tribunal; or (iii) is or may be alleged or mentioned so as to contravene clause (i) above in any litigation or other action unrelated to the enforcement of the Stipulation. Notwithstanding the foregoing, any of the Released Persons may file the Stipulation or any judgment or order of the Court related hereto, in any action that may be brought against them, in order to support any and all defenses or counterclaims based on the entire controversy doctrine, res judicata, collateral estoppel, release, good-faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion, or similar defense or counterclaim.

15. Plaintiffs' Counsel are hereby awarded attorneys' fees and expenses in the total amount of \$_____, which sum the Court finds to be fair, reasonable, and in accordance with applicable law, and which shall be paid to Plaintiffs' Counsel in accordance with

the terms of the Stipulation.

16. The effectiveness of the Order and Final Judgment and the obligations of Plaintiffs, Plaintiffs' Counsel, the Class, and the Defendants under the Settlement shall not be conditioned upon or subject to the resolution of any appeal that relates solely to the issue of Plaintiffs' Counsel's application for an award of attorneys' fees and expenses.

17. The Court further orders, adjudges, and decrees that all other relief be, and is hereby, denied, and that this Order and Final Judgment disposes of all the claims and all the parties in the above-styled and numbered Consolidated Action.

18. Without affecting the finality of this Order and Final Judgment in any way, this Court reserves jurisdiction over all matters relating to the enforcement and administration of the Settlement.

19. There being no just reason for delay, the Court hereby directs that this Order and Final Judgment be entered by the Clerk of the Court.

Dated: _____

Hon. William G. Clouse
Clark Circuit Judge
First Division