

STONEMOR PARTNERS LP  
Form 425  
September 28, 2018

Filed by StoneMor GP LLC

Pursuant to Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12

under the Securities Exchange Act of 1934

Subject Company: StoneMor Partners L.P.

(Commission File No. 001-32270)

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

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d)**  
**of The Securities Exchange Act of 1934**

**Date of report (Date of earliest event reported): September 27, 2018**

**StoneMor Partners L.P.**

**(Exact name of registrant as specified in its charter)**

**Delaware**  
**(State or other jurisdiction**  
  
**of incorporation)**  
**3600 Horizon Boulevard Trevoise,**  
**Pennsylvania**

**001-32270**  
**(Commission**  
  
**File Number)**

**80-0103159**  
**(I.R.S. Employer**  
  
**Identification No.)**

**19053**  
**(Zip Code)**

**(Address of principal executive  
offices)**

**(215) 826-2800**

**(Registrant's telephone number, including area code)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))  
Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 1.01. Entry into a Material Definitive Agreement.**

*Merger and Reorganization Agreement*

On September 27, 2018, StoneMor Partners L.P., a Delaware limited partnership (the Partnership), StoneMor GP LLC, a Delaware limited liability company and the general partner of the Partnership (GP), StoneMor GP Holdings LLC, a Delaware limited liability company and the sole member of GP (GP Holdings), and Hans Merger Sub, LLC, a Delaware limited liability company and wholly owned subsidiary of GP (Merger Sub), entered into a Merger and Reorganization Agreement (the Merger Agreement) pursuant to which, among other things, GP will convert from a Delaware limited liability company into a Delaware corporation to be named StoneMor Inc. (the Company when referring to StoneMor Inc. subsequent to such conversion), the Partnership will become a wholly owned subsidiary of the Company and the unitholders of the Partnership will become stockholders in the Company (as defined below).

Upon the terms and subject to the conditions set forth in the Merger Agreement:

(a) immediately prior to the effective time of the Merger (as defined below) (the Effective Time):

(i) GP Holdings shall contribute the 2,332,878 common units representing limited partner interests in the Partnership (the Common Units) owned by it (the GP Holdings Common Units) to GP and immediately following receipt thereof, GP shall contribute the GP Holdings Common Units to StoneMor LP Holdings, LLC, a Delaware limited liability company and wholly owned subsidiary of GP (LP Sub) and LP Sub shall be admitted as a limited partner of the Partnership,

(ii) GP shall convert into the Company (the Conversion) and all of the limited liability company interests of GP held by GP Holdings prior to the Conversion shall be cancelled,

(iii) as part of the Conversion and before giving effect to the Merger (as defined below), GP Holdings will be the sole stockholder of StoneMor Inc. and, as consideration for the Conversion and the Merger, will receive 2,332,878 shares of common stock, par value \$0.01 per share, of StoneMor Inc. (the Company Shares) (subject to adjustment as provided in the Merger Agreement) with respect to the 2,332,878 Common Units held by LP Sub immediately prior to the Conversion, and 2,950,000 Company Shares (the General Partner Shares) (also subject to adjustment as provided in the Merger Agreement) with respect to the 1.04% General Partner Interest, the Incentive Distribution Rights and the governance and all other economic and other rights associated with the General Partner Interest held indirectly by GP Holdings through the GP immediately prior to the Conversion,

(iv) Any then outstanding award of phantom units (Phantom Units) granted to a member of the GP Board under the StoneMor Partners L.P. Long-Term Incentive Plan (as amended April 19, 2010) (the 2004 Partnership Equity Plan) pursuant to a Phantom Unit agreement that provides for the deferral of the receipt of such Phantom Units (a 2004 Director Deferred Phantom Unit Award) shall, without any action on the part of the holder thereof, vest, to the extent unvested, and be paid out pursuant to the terms of the applicable award agreement, and, without any action on the part of the holder thereof, each Phantom Unit granted pursuant to such 2004 Director Deferred Phantom Unit Award shall be treated as a Common Unit for all purposes of the Merger Agreement, including the right to receive the Merger Consideration in accordance with the terms hereof,

(v) Any then outstanding award of Phantom Units granted to a member of the GP Board under the StoneMor Partners L.P. 2014 Long-Term Incentive Plan (the 2014 Partnership Equity Plan) pursuant to a Phantom Unit agreement that provides for the deferral of the receipt of such Phantom Units (a 2014 Director Deferred Phantom Unit Award) shall, without any required action on the part of the holder or beneficiary thereof, be assumed by the Company and converted into an award denominated in Company Shares (a Converted Director Deferred Phantom Unit Award). Each Converted Director Deferred Phantom Unit Award shall continue to have and be subject to the same terms and conditions as were applicable to such Phantom Unit immediately before the Effective Time and each Converted

Director Deferred Phantom Unit Award shall cover the number of Company Shares equal to the number of Common Units underlying such Phantom Unit pursuant to the 2014 Partnership Equity Plan, and

(vi) Any then outstanding award of Phantom Units that is not a 2004 Director Deferred Phantom Unit Award or a 2014 Director Deferred Phantom Unit Award granted under either the 2004 Partnership Equity Plan or the 2014 Partnership Equity Plan (a Phantom Award ) shall, without any action on the part of the holder thereof, be assumed by the Company and converted into an award denominated in Company Shares (a Converted Phantom Unit Award ). Each Converted Phantom Unit Award shall continue to have and be subject to the same terms and conditions as were applicable to such Phantom Unit Award immediately before the Effective Time and each Converted Phantom Unit Award shall cover the number of Company Shares equal to the number of Common Units underlying such award,

(vii) Any then outstanding award of restricted units ( Restricted Units ) granted under the 2014 Partnership Equity Plan shall, without any required action on the part of any holder thereof, be assumed by the Company and converted into an award denominated in Company Shares (a Converted Restricted Unit Award ). Each Converted Restricted Unit Award shall continue to have and be subject to the same terms and conditions as were applicable to such Restricted Unit Award immediately before the Effective Time and each Converted Restricted Unit Award shall cover the number of Company Shares equal to the number of Common Units underlying such Restricted Unit Award and

(viii) Any then outstanding award of unit appreciation rights ( UARs ) granted under the 2004 Partnership Equity Plan (a UAR Award ) shall, without any required action on the part of any holder thereof, immediately vest, any forfeiture restrictions applicable to such UAR Award shall immediately lapse and such UAR Award shall be assumed by the Company and converted into a stock appreciation right denominated in Company Shares (a Converted UAR ). Each Converted UAR shall continue to have and be subject to the same terms and conditions as were applicable to such UAR immediately before the Effective Time, including the exercise price.

(b) at the Effective Time, Merger Sub shall be merged with and into the Partnership (the Merger ), with the Partnership surviving and with the Company as its sole general partner and LP Sub as its sole holder of Common Units and each outstanding Common Unit, including certain phantom units granted to members of the GP Board under the 2004 Partnership Equity Plan but excluding any Common Units held by LP Sub, being converted into the right to receive one Company Share. All of the limited liability company interests in Merger Sub outstanding immediately prior to the Effective Time shall be converted into and become limited partner interests in the surviving entity. Following the Effective Time, the general partnership interests in the Partnership issued and outstanding immediately prior to the Effective Time shall remain outstanding and unchanged subject to such changes as are set forth in the Second Amended and Restated Agreement of Limited Partnership of the Partnership, dated as of September 9, 2008, as amended as of November 3, 2017 (the LPA ), and the Company shall continue to be the sole general partner of the Partnership.

The conflicts committee of the board of directors of GP (the Conflicts Committee ) (which consisted of independent directors) by unanimous vote (a) determined that the Merger Agreement and the transactions contemplated thereby are fair to, and in the best interests of, the Partnership and holders of the Common Units (the Unitholders ) (other than GP and Unitholders affiliated with GP), (b) approved the Merger Agreement and the transactions contemplated thereby (excluding the Conversion) (the foregoing constituting Special Approval, as such term is defined in the LPA), (c) directed that the Merger Agreement be submitted to a vote of the Unitholders and (d) resolved its recommendation of adoption of the Merger Agreement by the Unitholders. Subject to certain requirements in the Merger Agreement, at any time prior to obtaining the approval of the Unitholders, the Conflicts Committee may withdraw, modify or qualify in any manner adverse to any party to the Merger Agreement its recommendation (any such action, a Change in Recommendation ) that the Unitholders approve the Merger Agreement if the Conflicts Committee concludes in good faith, after consultation with its legal and financial advisors, that the failure to make a Change in Recommendation would be inconsistent with its duties under the LPA or applicable law. A Change in Recommendation will not (a) change the approval of the Merger Agreement and the transactions contemplated thereby or any other approval of the Conflicts Committee or (b) relieve the Partnership of any of its obligations under the Merger Agreement, including its obligation to hold a special meeting of the Unitholders for the purpose of obtaining approval of the Merger Agreement and the transactions contemplated thereby.



The completion of the Merger is subject to the satisfaction or waiver of customary closing conditions, including, without limitation: (a) approval of the Merger Agreement by the holders of a majority of the outstanding Common Units, (b) there being no law or injunction prohibiting the consummation of the Merger, (c) subject to specified materiality standards, the accuracy of the representations and warranties of the parties, (d) compliance by the parties in all material respects with their respective covenants, (e) the effectiveness of a registration statement on Form S-4, (f) the approval for listing of the Company Shares on the New York Stock Exchange or any other national securities exchange, (g) the amendment or modification of the Credit Agreement, dated as of August 4, 2016 among StoneMor Operating LLC, the other borrowers party thereto, the lenders party thereto, Capital One, National Association, as administrative agent and the other agents party thereto (the Credit Agreement ) and any other documents entered into in connection with the Credit Agreement in a manner that permits the consummation of the Merger and the transactions contemplated by the Merger Agreement and (h) the Company's assumption of a long-term incentive plan as specified in the Merger Agreement.

Each party to the Merger Agreement has made customary representations and warranties in the Merger Agreement. The Merger Agreement also contains customary covenants and agreements, including but not limited to, covenants and agreements relating to (a) the commercially reasonable efforts of the parties to cause the Merger and the related transactions to be consummated and (b) the preparation of the registration statement and the Partnership's proxy statement on Form S-4.

The Merger Agreement contains certain termination rights for the Partnership, Merger Sub and GP. Either the Partnership or Merger Sub may terminate the Merger Agreement, subject to certain exceptions, if (a) the closing of the Merger Agreement has not been consummated on or before June 30, 2019, subject to certain exceptions (b) the Unitholder approval shall not have been obtained; (c) if any governmental authority has issued an order, decree or injunction that in effect enjoins, prohibits, or otherwise makes illegal the consummation of the Merger Agreement; (d) there has been a material breach in any of the representations or warranties set forth in the Merger Agreement, which is not cured pursuant to the Merger Agreement and (e) there has been a material breach in any of the covenants or agreements set forth in the Merger Agreement, which is not cured pursuant to the Merger Agreement.

The Partnership may terminate the Merger Agreement if the Conflicts Committee has made a Change in Recommendation and the approval of the Merger Agreement by the Unitholders has not been attained. GP may terminate the agreement (a) if GP shall have concluded in good faith, after consultation with its outside legal advisors and financial advisors, that the consummation of the reorganization would be inconsistent with its duties under the LPA or applicable law or (b) if there has been a Material Adverse Effect (as defined in the Merger Agreement) on the Partnership. The Merger Agreement further provides that, upon termination of the Merger Agreement under certain circumstances, the GP and GP Holdings may be required to reimburse the Partnership for expenses (including legal fees, accounting fees, financial advisory fees and other professional and non-professional fees and expenses) incurred by the Partnership in connection with or related to the authorization, preparation, negotiation, execution and performance of the Merger Agreement and the transactions contemplated thereby.

In connection with the Conversion, GP will file, or cause to be filed, a certificate of conversion and a certificate of incorporation of the Company (the Certificate ), and bylaws of the Company will be adopted (the Bylaws ). The Certificate and Bylaws will provide for the initial number of directors of the board of directors of the Company (the Company Board ) to be nine (9), including two (2) designees of Robert B. Hellman, Jr., in his capacity as trustee (the Trustee ) under the Voting and Investment Trust Agreement for the benefit of American Cemeteries Infrastructure Investors LLC (the ACII Designated Directors ), one (1) designee of Axar Capital Management, LP or its affiliates (the Axar Designated Director ), and the Chief Executive Officer of the Company. The ACII Designated Directors and the Axar Designated Director will each be identified by the designating persons not later than 90 days after the date of the Merger Agreement. The Company Board will be divided into three classes of directors, with the classes equal in number, and with the directors serving three year terms. As a result, approximately one-third of the Company Board will be elected each year. The ACII Designated Directors shall serve initial terms that expire no earlier than the annual



meeting of the stockholders of the Company to be held in 2020 and 2021, respectively, and the Axar Designated Director shall serve an initial term that expires no earlier than the annual meeting of the stockholders of the Company to be held in 2021. Prior to the Conversion, GP Holdings, as the sole member of GP, was entitled to elect the directors of GP subject to certain exceptions. As a result of the transactions contemplated by the Merger Agreement, including the Conversion and the Merger, GP Holdings will no longer have the right to designate the members of the Board.

The material terms of the Merger Agreement set forth above are not intended to provide any other factual information about the Partnership, GP, GP Holdings or Merger Sub or their respective subsidiaries and affiliates. The Merger Agreement contains representations and warranties by each of the parties to the Merger Agreement, which were made only for purposes of the Merger Agreement and as of specified dates. The representations, warranties and covenants in the Merger Agreement were made solely for the benefit of the parties to the Merger Agreement; may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Merger Agreement instead of establishing these matters as facts; and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors should not rely on the representations, warranties and covenants, or any descriptions thereof, as characterizations of the actual state of facts or condition of the Partnership, GP, GP Holdings or Merger Sub or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in the Partnership's public disclosures.

#### *Voting and Support Agreement*

In connection with the execution and delivery of the Merger Agreement, on September 27, 2018, the Partnership, GP, GP Holdings and certain Unitholders and their affiliates (the Supporting Unitholders) entered into a voting and support agreement (the Voting and Support Agreement), pursuant to which, among other things, the Supporting Unitholders agreed, subject to the terms and conditions of the voting and support agreement, to vote (or cause the vote of, as applicable) all of their Common Units in favor of the approval and adoption of the Merger Agreement and the transactions contemplated thereby. The Voting and Support Agreement shall terminate and be of no further force or effect upon the earliest of (a) the consummation of the reorganization proposed in the Merger Agreement, (b) the termination of the Merger Agreement, (c) the date that any amendment to the Merger Agreement are entered into that adversely affect the rights of any Axar Entity (as defined below) without the written consent of the Axar Entities, and (d) June 30, 2019. The foregoing description of the Voting and Support Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of such agreement, which is attached hereto as Exhibit 10.1 and is incorporated by reference herein.

#### *Nomination and Director Voting Agreement*

On September 27, 2018, GP and GP Holdings entered into the Nomination and Director Voting Agreement with Axar Capital Management, LP, a Delaware limited partnership (Axar), Axar GP LLC, a Delaware limited liability company (Axar GP), and Axar Master Fund, Ltd., a Cayman Islands exempted limited partnership (together with Axar and Axar GP, the Axar Entities), and Robert B. Hellman, Jr., in his capacity as trustee under the Voting and Investment Trust Agreement for the benefit of American Cemeteries Infrastructure Investors, LLC (ACII, and, together with the Axar Entities, the Principal Stockholders) (the Nomination and Director Voting Agreement), pursuant to which, among other things, GP agreed to permit the Axar Entities to designate up to one nominee to the Company Board and ACII to designate up to two nominees to the Company Board, subject to the terms and conditions set forth therein.

So long as ACII and its affiliates continue to beneficially own at least 50% of the Company Shares that they owned immediately following the Effective Time, ACII will be entitled to designate two directors for nomination to the Company Board. ACII will only be entitled to designate one director for nomination to the Company Board in the event ACII and its affiliates own at least 33% (but less than 50%) of the Company Shares that they owned immediately following the Effective Time. Axar will be entitled to designate one director for nomination to the Company Board so long as Axar and its affiliates continue to beneficially own at least 33% of the Company Shares that they owned immediately following the Effective Time. A Principal Stockholder's right to designate any directors for nomination will terminate immediately when such Principal Stockholder, together with its affiliates, ceases to beneficially own at least 33% of the Company Shares that they owned immediately following the Effective Time.

During the period commencing at the Effective Time and ending on the earlier of (a) the third anniversary of the Effective Time, (b) the date that the Company or any of its affiliates or agents materially breaches the Nomination and Director Voting Agreement (following a notice and cure period) or takes any action challenging the validity or enforceability of the Nomination and Director Voting Agreement, (c) the date that ACII or the Axar Entities, as

applicable, no longer have the right to designate for nomination any directors and no longer have any of their designated directors on the Board, and (d) thirty days following the delivery by all of the ACII Designated Directors or the Axar Designated Director, respectively, of a notice of immediate effective resignation from the Company Board (the Standstill Termination Date), the Principal Stockholders have agreed that, at any meeting of the stockholders or in any other circumstances upon which a vote, consent or other approval of all or some of the stockholders is sought solely with respect to the matters described below, they will vote (or cause to be voted) or execute (or cause to be executed) consents with respect to, as applicable, all of the Company securities owned as of the applicable record date in favor of the election of the persons named in the Company's proxy statement as the Company Board's nominees for election as directors, and against any other nominees.

During the period commencing on the closing date and ending on the Standstill Termination Date, each Principal Stockholder has agreed, subject to certain exceptions, that it will not, and will cause its controlled affiliates not to, directly or indirectly, among other things: (a) engage in any hostile or takeover activities with respect to the Company (including by means of a tender offer or soliciting proxies or written consents, other than as recommended by the Company Board); (b) acquire or propose to acquire beneficial ownership of additional Company Shares or other Company securities that in the aggregate, together with their beneficial ownership of any other units, is equal to beneficial ownership of 19.99% or more of the voting power of the outstanding Company Shares, provided that the foregoing will not prohibit and the Principal Stockholders shall have the right to participate pro rata, based on their respective beneficial ownership percentage of the outstanding Company Shares, in any issuance of equity securities of the Company or its affiliates; (c) call a special meeting of the stockholders; (d) seek additional representation on the Board or propose to remove, or vote to remove, any directors, other than in accordance with the Nomination and Director Voting Agreement.

#### **Item 5.01 Changes in Control of Registrant.**

The information set forth in Item 1.01 of this Form 8-K is hereby incorporated by reference into this Item 5.01.

#### **Item 7.01 Regulation FD Disclosure.**

On September 28, 2018, the Partnership issued a press release announcing its entry into the Merger Agreement. The full text of the press release is included as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 7.01 by reference.

In accordance with General Instruction B.2 of Form 8-K, the information set forth in this Item 7.01 and the attached Exhibit 99.1 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

#### **Item 8.01 Other Events.**

To the extent required, the information included in Item 7.01 of this Form 8-K is incorporated into this Item 8.01.

#### **Important Information for Investors and Unitholders**

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval.

In connection with the proposed reorganization, StoneMor GP LLC (to be converted into a corporation named StoneMor Inc. ( StoneMor GP )) and StoneMor Partners L.P. (the Partnership) will jointly file with the Securities and

Exchange Commission ( SEC ) a registration statement on Form S-4, which will include a prospectus of StoneMor GP and a proxy statement of the Partnership. StoneMor GP and the Partnership also plan to file other documents with the SEC regarding the proposed transaction. After the registration statement has been declared effective by the SEC, a definitive joint proxy statement/prospectus will be mailed to the unitholders of the Partnership. INVESTORS AND UNITHOLDERS OF THE PARTNERSHIP ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) AND OTHER DOCUMENTS RELATING TO THE PROPOSED REORGANIZATION THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE

**THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED REORGANIZATION.**

Investors and unitholders will be able to obtain free copies of the joint proxy statement/prospectus and other documents containing important information about StoneMor GP and the Partnership once such documents are filed with the SEC, through the website maintained by the SEC at <http://www.sec.gov>. Copies of the documents filed with the SEC by the Partnership will be available free of charge on their internet website at [www.stonemor.com](http://www.stonemor.com) or by contacting their Investor Relations Department at [\(215\) 826-2945](tel:2158262945).

**Participants in the Solicitation**

The Partnership, StoneMor GP, and its directors and certain of its members and executive officers may be deemed to be participants in the solicitation of proxies from the unitholders of the Partnership in connection with the proposed transaction. Information about the directors and executive officers of StoneMor GP is set forth in the Partnership's Annual Report on Form 10-K which was filed with the SEC on July 17, 2018. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available. Free copies of these documents can be obtained using the contact information above.

**Cautionary Statement Regarding Forward-Looking Statements**

This communication contains forward-looking statements. For example, statements regarding future financial performance, future competitive positioning and business synergies, future acquisition cost savings, future market demand, future benefits to unitholders, future economic and industry conditions, the proposed merger (including its benefits, results, effects and timing) and whether and when the transactions contemplated by the merger and reorganization agreement will be consummated, are forward-looking statements within the meaning of federal securities laws. The Partnership and StoneMor GP believe that their expectations are based on reasonable assumptions. No assurance, however, can be given that such expectations will prove to have been correct.

A number of factors could cause actual results to differ materially from the projections, anticipated results or other expectations expressed in this communication. Such factors include, but are not limited to: the failure of the unitholders of the Partnership to approve the proposed reorganization; the risk that the conditions to the closing of the proposed transaction are not satisfied; the risk that regulatory approvals required for the proposed transaction are not obtained or are obtained subject to conditions that are not anticipated; potential adverse reactions or changes to business relationships resulting from the announcement or completion of the proposed transaction; uncertainties as to the timing of the proposed transaction; competitive responses to the proposed transaction; the inability to obtain or delay in obtaining cost savings and synergies from the proposed transaction; unexpected costs, charges or expenses resulting from the proposed transaction; the outcome of pending or potential litigation; the inability to retain key personnel; uncertainty of the expected financial performance of StoneMor Inc. following completion of the proposed transaction; and any changes in general economic and/or industry specific conditions.

The Partnership and StoneMor GP caution that the foregoing list of factors is not exclusive. Additional information concerning these and other risk factors is contained in the Partnership's most recently filed Annual Reports on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other SEC filings, which are available at the SEC's website, <http://www.sec.gov>. All subsequent written and oral forward-looking statements concerning the Partnership, StoneMor GP, the proposed transaction or other matters attributable to the Partnership, StoneMor GP or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. Each forward looking statement speaks only as of the date of the particular statement. Except as required by law, the Partnership and StoneMor GP undertake no obligation to publicly update or revise any forward-looking statements.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit Number</b>	<b>Description of the Exhibit</b>
10.1	Voting and Support Agreement, dated September 27, 2018, by and among StoneMor Partners L.P., StoneMor GP LLC, and the unitholders of StoneMor Partners L.P. named therein.
99.1	Press Release, dated as of September 28, 2018.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**STONEMOR PARTNERS L.P.**

By: StoneMor GP LLC,  
its general partner

Date: September 28, 2018

By: /s/ Joseph M. Redling  
Name: Joseph M. Redling  
Title: President and Chief Executive Officer



**VOTING AND SUPPORT AGREEMENT**

This VOTING AND SUPPORT AGREEMENT (this *Agreement* ), dated as of September 27, 2018 is entered into by and among Axar Capital Management, LP, a Delaware limited partnership ( *Axar* ), Axar GP, LLC, a Delaware limited liability company ( *Axar GP* ), Axar Master Fund, Ltd., a Cayman Islands exempted limited partnership (the *Axar Funds*, and together with Axar and Axar GP, the *Axar Entities* ), Robert B. Hellman, Jr., in his capacity as trustee under the Voting and Investment Trust Agreement for the benefit of American Cemeteries Infrastructure Investors, LLC ( *ACII* ), and StoneMor GP Holdings LLC, a Delaware limited liability company ( *GP Holdings* and together with ACII, the *ACII Entities* ) and StoneMor GP LLC, a Delaware limited liability company (the *Company* ) and StoneMor Partners L.P., a Delaware limited partnership (the *Partnership* ). The Axar Entities, ACII Entities, the Company, the Partnership and each Permitted Transferee (as hereinafter defined) are sometimes referred to herein collectively as the *Parties*, and individually as a *Party*.

**WHEREAS**, each of the ACII Entities and the Axar Entities own the number of common units representing limited partner interests ( *Common Units* ) in the Partnership set forth opposite such Party's name in Exhibit A (all such Common Units, together with (a) any other limited partner interests in the Partnership (whether Beneficially Owned or owned of record by such Party) or (b) rights to acquire such limited partner interests, in each case acquired (whether Beneficially or of record) by a Party after the date hereof and prior to the Expiration Date (defined below), including any limited partner interests in the Partnership or rights to acquire such limited partner interests acquired by means of purchase, exchange, dividend or distribution, or issued upon the exercise of any options or warrants or the conversion of any convertible securities or otherwise, being collectively referred to herein as the *Securities* );

**WHEREAS**, concurrently with the execution and delivery of this Agreement, the Partnership, the Company, GP Holdings, and Hans Merger Sub, LLC, a Delaware limited liability company and wholly owned subsidiary of GP ( *Merger Sub*, and together with GP, GP Holdings and the Partnership, the *Partnership Entities* ), have entered into that certain Merger and Reorganization Agreement (the *Merger Agreement* ; capitalized terms used herein without definition shall have the respective meanings specified in the Merger Agreement), pursuant to which, among other things, (i) GP Holdings will contribute all of its Common Units (the *GP Holdings Common Units* ) to the Company and immediately following receipt thereof, the Company will contribute the GP Holdings Common Units to StoneMor LP Holdings, LLC, a newly formed Delaware limited liability company and wholly owned subsidiary of GP ( *LP Sub* ) and LP Sub will become a unitholder of the Partnership, (ii) the Company will convert into a Delaware corporation (the *Conversion* ) to be named StoneMor Inc. and all of the limited liability company interests of the Company held by GP Holdings prior to the Conversion will convert into shares of common stock, par value \$0.01 per share, of the Company (the *Common Stock* ) and (iii) Merger Sub will merge with and into the Partnership with the Partnership surviving and with the Company as its sole general partner and LP Sub as its sole holder of Common Units, and each Outstanding Common Unit (other than those held by LP Sub) being converted into the right to receive one share of Common Stock (the *Reorganization* );

**WHEREAS**, the adoption of the Merger Agreement by the holders of at least majority of the issued and outstanding Common Units entitled to vote as of the record date is a condition to the consummation of the Reorganization; and

**WHEREAS**, as a condition to the willingness of the Partnership Entities to enter into the Merger Agreement and as an inducement and in consideration therefor, the Parties have agreed to enter into this Agreement concurrently with the entry by the Partnership Entities into the Merger Agreement.

**NOW, THEREFORE**, in consideration of the foregoing, the mutual covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, intending to be legally bound, the Parties hereto agree as follows:

## ARTICLE I

### VOTING; GRANT AND APPOINTMENT OF PROXY

**Section 1.1 Voting.** From and after the date hereof until the earlier of (A) the consummation of the Reorganization and (B) the termination of the Merger Agreement (such earlier date, the *Expiration Date* ), each of the Parties irrevocably and unconditionally hereby agrees that at any meeting (whether annual or special and each adjourned or postponed meeting) of the unitholders of the Partnership, however called, such Party (in its capacity as a record holder or Beneficial Owner of Securities and not in any other capacity) will, and will cause any of its Affiliates that hold Securities in the Partnership to, appear at such meeting or otherwise cause all of its and its Affiliates Securities to be counted as present thereat for purposes of calculating a quorum and vote or cause to be voted (including by proxy or written consent, if applicable) all of its and its Affiliates Securities with respect to each meeting at which a vote of such Securities is requested (a *Merger Proposal* ) (i) in favor of the Merger Proposal (and, in the event that the Merger Proposal is presented as more than one proposal, in favor of each proposal that is part of the Merger Proposal), and in favor of any other matter presented or proposed as to approval of any part or aspect thereof or any other transactions or matters contemplated by the Merger Agreement, (ii) against any other transaction, proposal, agreement or action made in opposition to adoption of the Merger Agreement or in competition or inconsistent with the Merger and the other transactions or matters contemplated by the Merger Agreement, (iii) against any other action, agreement or transaction that is intended, that would reasonably be expected, or the effect of which would reasonably be expected, to materially impede, interfere with, delay, postpone, discourage or adversely affect the Merger or any of the other transactions contemplated by the Merger Agreement or the performance of its obligations under this Agreement, (iv) against (x) any action or agreement that would result in a breach of any covenant, representation or warranty or any other obligation or agreement contained in the Merger Agreement by any party thereto and (y) any other action that could reasonably be expected to impede, interfere with, delay, postpone or adversely affect any of the transactions contemplated by the Merger Agreement or this Agreement, and (v) in favor of any other matter necessary or desirable to the consummation of the transactions contemplated by the Merger Agreement, including the Merger (clauses (i) through (v), the *Required Votes* ). For purposes of this Agreement, *Person* means any individual, bank, corporation, partnership, limited liability company, association, joint-stock company, business trust or unincorporated organization and *Affiliates* means, with respect to any Person, any other

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

If a Party is the Beneficial Owner, but not the record holder, of any Securities, such Party agrees to take all actions necessary to cause the record holder of such Securities and any nominees to vote all of such Securities in accordance with this Section 1.1 and otherwise to cause such record holder to comply with such Party's obligations under this Agreement. For purposes of this Agreement, **Beneficial Owner** has the meaning (or the correlative meaning, as applicable) set forth in Rule 13d-3 and Rule 13d-5(b)(1) of the rules and regulations promulgated under the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the **Exchange Act**) and "record holder" has the meaning ascribed thereto in the Partnership Agreement.

### **Section 1.2 Grant of Irrevocable Proxy; Appointment of Proxy.**

A. FROM AND AFTER THE DATE HEREOF UNTIL THE EXPIRATION DATE, EACH PARTY, ON BEHALF OF ITSELF AND ITS AFFILIATES, HEREBY IRREVOCABLY AND UNCONDITIONALLY GRANTS TO, AND APPOINTS, THE COMPANY AND ANY DESIGNEE THEREOF AS SUCH PARTY'S AND ITS AFFILIATES PROXY AND ATTORNEY-IN-FACT (WITH FULL POWER OF SUBSTITUTION), FOR AND IN THE NAME, PLACE AND STEAD OF SUCH PARTY AND ITS AFFILIATES, TO VOTE OR CAUSE TO BE VOTED (INCLUDING BY PROXY OR WRITTEN CONSENT, IF APPLICABLE) ITS AND ITS AFFILIATES SECURITIES IN ACCORDANCE WITH THE REQUIRED VOTES.

B. Each Party hereby represents that any proxies heretofore given in respect of its or its Affiliates' Securities, if any, are revocable, and hereby revokes such proxies.

C. Each Party hereby affirms that the irrevocable proxy set forth in this Section 1.2 is given in connection with the execution of the Merger Agreement, and that such irrevocable proxy is given to secure the performance of the duties of such Party and its Affiliates under this Agreement. Each Party hereby further affirms that the irrevocable proxy set forth in this Section 1.2 is coupled with an interest and, except upon the occurrence of the Expiration Date, is intended to be irrevocable.

### **Section 1.3 Restrictions on Transfers and Other Actions.**

A. Each of the ACII Entities and the Axar Entities hereby agrees that, from the date hereof until the Expiration Date, it shall not, and shall cause its Affiliates not to, directly or indirectly, except in connection with the consummation of the Reorganization or as expressly contemplated by the Merger Agreement, (i) Transfer any Securities Beneficially Owned or owned of record by such Party or such Party's Affiliates; provided, however, that the foregoing restriction shall not apply to Transfers between or among a Party and its Affiliates (each, a **Permitted Transferee**) provided that, in the case of a Transfer from a Party to one or more of such Party's Affiliates, such transferee executes and delivers to the Company a joinder agreement in the form

of Exhibit B hereto, (ii) deposit any Securities into a voting trust or enter into a voting agreement or arrangement or grant any proxy, consent or power of attorney with respect thereto that is inconsistent with this Agreement, (iii) initiate, participate in, or knowingly encourage or facilitate any litigation or other proceeding challenging or seeking to enjoin or prevent the Reorganization or the Merger Agreement or any Merger Proposal, or (iv) acquire additional Securities in the Partnership if such acquisition could cause such Party, together with its Affiliates (other than the Company and its Affiliates), to own beneficially in excess of 19.99% of any Partnership Securities (as defined in the Partnership Agreement) of any class then outstanding; provided, however, that Axar, ACII and their respective Affiliates shall have the right to participate pro rata, based on their respective ownership percentage of the issued and outstanding equity interests of the Partnership, in any equity capital raise of the Partnership or its Affiliates (unless such participation could cause such Party, together with its Affiliates (other than the Company and its Affiliates), to own beneficially in excess of 19.99% of any Partnership Securities of any class then outstanding). In addition, each of the Axar Entities hereby agrees that, from the date hereof until the Expiration Date, it shall not, and shall cause its Affiliates not to, directly or indirectly, except in connection with the consummation of the Reorganization or as expressly contemplated by the Merger Agreement and the Nomination and Director Voting Agreement by and among the Company, the Axar Entities and the ACII Entities (the **Director Voting Agreement**) and provided that the Company is not in breach of the Merger Agreement and the Company and the ACII Entities are not in breach of the Director Voting Agreement, in each case which breach is not cured within ten (10) days following receipt by the breaching party of written notice of such breach, (v) participate in solicitations of proxies with respect to any Securities of the Partnership, (w) except with the prior consent of the Company, make public announcements regarding the Reorganization or other extraordinary transactions involving the Partnership or its Affiliates, (x) seek representation on the board of directors of the Company (the **Company Board**) or take any actions to control or influence management of the Company or the Company Board, (y) participate in, create or join any group within the meaning of Section 13(d)(3) of the Exchange Act, with respect to any Securities, or (z) agree to take or publicly propose any of the foregoing actions. For purposes of this Agreement, **Transfer** means directly or indirectly, to sell, transfer (by gift or otherwise), assign, pledge, encumber or similarly dispose of (by merger (including by conversion into securities or other consideration), by tendering into any tender or exchange offer, by testamentary disposition, by operation of law or otherwise), either voluntarily or involuntarily, or to enter into any contract, option or other arrangement or understanding with respect to the voting of or sale, transfer (by gift or otherwise), assignment, pledge, encumbrance or similar disposition of (by merger, by tendering into any tender or exchange offer, by testamentary disposition, by operation of law or otherwise). Any Transfer in violation of this Section 1.3 shall be null and void.

B. Notwithstanding any other provision of this Agreement, the terms of this Agreement shall not limit, restrict or impair any Party's ability, or any of their respective Affiliates' ability, in connection with an action conducted with the approval of the Company Board (provided that no such approval shall be required with respect to clause (iv) below), to directly or indirectly (i) propose, commit on, participate in or make a loan or other debt financing to the Partnership or any of its Subsidiaries, (ii) propose, commit on, participate in or provide debt financing to a prospective buyer regarding the Partnership or any of its Subsidiaries or assets in a negotiated transaction with the Partnership, or finance a third party's effort to make a loan or other debt financing to the Partnership or any of its Subsidiaries in a negotiated transaction with the Partnership or any of its Subsidiaries, (iii) participate in any process conducted pursuant to which

the Partnership or any of its Subsidiaries proposes to issue any additional equity interests, arrange for any debt financing or other transaction in which any of the businesses or assets of the Partnership or any of its Subsidiaries are proposed to be sold or otherwise disposed of, in each case in accordance with the parameters of such process determined by the Company Board, or (iv) purchase debt of the Partnership or its Subsidiaries in secondary market transactions. The term debt as used in this paragraph shall include, without limitation, institutional debt (bank or otherwise), commercial paper, notes, debentures, bonds, other evidences of indebtedness and debt securities, but shall not include any debt convertible or exchangeable for equity.

**Section 1.4 Injunction.** Notwithstanding anything to the contrary in this Agreement, if at any time following the date hereof and prior to the Expiration Date a Governmental Authority of competent jurisdiction enters an order restraining, enjoining or otherwise prohibiting the Parties or their respective Affiliates from (x) consummating the transactions contemplated by the Reorganization or (y) taking any action pursuant to Section 1.1 or Section 1.2 of this Agreement, then (i) the obligations of each Party set forth in Section 1.1 and the irrevocable proxy and power of attorney in Section 1.2 shall be of no force and effect for so long as such order is in effect and, in the case of clause (y), solely to the extent such order restrains, enjoins or otherwise prohibits such Party or its Affiliates from taking any such action, and (ii) each Party shall cause its and its Affiliates Securities not to be represented in person or by proxy at any meeting at which a vote of such Securities on the Merger Agreement is requested. Notwithstanding anything to the contrary in this Section 1.4, the restrictions and obligations set forth in Section 1.3 shall continue to apply with respect to the Securities until the Expiration Date.

**Section 1.5 Confidentiality.**

A. In connection with the negotiation, execution, exercise of rights under and consummation of the transactions contemplated by this Agreement and the Merger Agreement, ACII and the Axar Entities may have received and may receive in the future certain confidential, non-public and proprietary information concerning the business, operations and assets of the Partnership and its Subsidiaries (collectively, the **Confidential Information** ). The Confidential Information shall not include information that (i) is or becomes generally available to the public other than as a result of acts by such Party or their respective Representatives in breach of the terms of this Agreement or any confidentiality obligation owed to the Partnership or its Affiliates, (ii) is in the possession of such Party or any of their respective Representatives prior to disclosure by or on behalf of the Partnership, (iii) is disclosed to such Party or any of their respective Representatives by a third party who is not known by such Party or any such Representatives to owe an obligation of confidentiality to the Partnership with respect to such information or (iv) is independently developed by or on behalf of such Party without use of or reference to the Confidential Information and without any breach of the terms of this Agreement.

B. The ACII Entities and the Axar Entities agree that, prior to the one year anniversary of the Expiration Date, they shall, and shall cause their respective Representatives to, keep the Confidential Information confidential, not disclose any of the Confidential Information in any manner whatsoever, and not use the Confidential Information; provided, however, that, unless prohibited by applicable Law, (i) the ACII Entities or the Axar Entities may make any disclosure of information contained in the Confidential Information to which the Partnership gives its prior written consent, (ii) any Confidential Information may be disclosed by the ACII Entities

and the Axar Entities (A) to their Affiliates and their respective Affiliates directors, officers, employees, agents, attorneys, accountants, financial advisors and other representatives (collectively **Representatives** ) and (B) to its or its Affiliates investors or potential investors in a manner that is consistent with ordinary course communications with its investors or potential investors prior to the date hereof, in each of (A) and (B) which such ACII Entity or such Axar Entity, as applicable, informs of the confidential nature of such information and who agree to keep such information confidential and to use such information only in accordance with the terms of this Agreement, and (iii) Confidential Information may be disclosed to the extent advised by legal counsel that such disclosure is required by Law, rule, or regulation of any Governmental Authority or National Securities Exchange that has, or may have, jurisdiction over any Party or its Affiliates or the Partnership, as the case may be. Each Party shall be responsible for any breach of the terms of this Section 1.5 by any of its Representatives.

C. Each of the ACII Entities and the Axar Entities acknowledges that it is aware, and will advise all those to whom Confidential Information is disclosed, that United States securities laws prohibit any Person who has material, non-public information concerning a publicly traded company from purchasing or selling securities of such company or from communicating such information to any other Person under circumstances in which it is reasonably foreseeable that such Person is likely to purchase or sell such securities.

## ARTICLE II

### CAPACITY

**Section 2.1 Capacity.** Each Party that is a natural person who is or becomes a party to this Agreement is party solely in his or her capacity as a record holder or Beneficial Owner of Securities, and nothing contained herein shall in any way limit or affect any actions taken by such natural person in his or her capacity as a director, officer or employee of the Company or the Partnership, and no action taken in any such capacity as a director, officer or employee shall be deemed to constitute a breach of this Agreement.

## ARTICLE III

### REPRESENTATIONS, WARRANTIES AND COVENANTS

#### OF THE PARTIES

**Section 3.1 Representations and Warranties.** Each Party represents and warrants, for itself only, as follows: (a) such Party has the requisite trustee, limited partnership or limited liability company, as applicable, power and authority to execute, deliver and perform such Party's obligations under this Agreement and to consummate the transactions contemplated hereby, (b) this Agreement has been duly executed and delivered by such Party, (c) assuming due authorization, execution and delivery by the other Parties, this Agreement constitutes the valid and binding agreement of such Party, enforceable against such Party in accordance with its terms (except to the extent that its enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar Law affecting the enforcement of creditors' rights generally or by general equitable principles), (d) the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by such Party have been duly authorized by all necessary trustee, limited partnership or limited liability company, as applicable, and action on the part of such Party and do not and will not conflict with or violate any Laws or

agreements binding upon such Party, nor require any authorization, consent or approval of any Governmental Authority required to be obtained by such Party, or a filing with any Governmental Authority required to be made by such Party, (e) as of the date hereof, such Party is the Beneficial Owner or record owner (as indicated in Exhibit A) of the number of Securities described in Exhibit A, and (f) except for the restrictions created under this Agreement, the Securities Act or applicable blue sky laws, such Party is the Beneficial Owner and record owner of all such Securities free and clear of any proxy, voting restriction, adverse claim or other Lien and has sole voting power with respect to such Securities and sole power of disposition with respect to all such Securities, with no restrictions on such Party's rights of voting or disposition pertaining thereto, and no person other than such Party has any right to direct or approve the voting or disposition of any of such Securities.

**Section 3.2 Certain Other Agreements.** Each of the ACII Entities and the Axar Entities hereby:

A. irrevocably waives, and agrees not to exercise, any rights of appraisal or rights of dissent from the Reorganization that such Party or its Affiliates may have with respect to the Securities;

B. agrees to promptly notify the other Parties and the Partnership of the number of any additional Securities acquired by such Party or any of its Affiliates after the date hereof and prior to the Expiration Date; and, for the avoidance of doubt, any such Securities shall be subject to the terms of this Agreement as though owned by such Party on the date hereof;

C. agrees to permit the Company, the Partnership and their respective Subsidiaries to publish and disclose in any announcement or disclosure required by the SEC, the Partnership's Proxy Statement and the Company's Registration Statement such Party's identity and ownership of the Securities and the nature of such Party's commitments, arrangements and understandings under this Agreement;

D. shall and does authorize the Partnership or its counsel to notify the Partnership's transfer agent that there is a stop Transfer order with respect to all of its and its Affiliates' Securities (and that this Agreement places limits on the voting and Transfer of such Securities); provided that the Partnership or its counsel further notifies the Partnership's transfer agent to lift and vacate the stop Transfer order with respect to such Securities following the termination of this Agreement in accordance with its terms;

E. agrees that, prior to the Expiration Date, and except as contemplated hereby, it shall not knowingly take any action that would reasonably be expected to make any representation or warranty of such Party contained in Section 3.1 untrue or incorrect or have the effect of preventing or disabling such Party from performing its obligations under this Agreement.

F. represents, covenants and agrees that, except as contemplated by this Agreement, neither it nor its Affiliates (a) has entered into, or shall enter into at any time prior to the Expiration Date, any voting agreement or voting trust with respect to any Securities and (b) has granted, or shall grant at any time prior to the Expiration Date, a proxy or power of attorney with respect to any of its or its Affiliates' Securities, in any such case, that is inconsistent with such Party's obligations pursuant to this Agreement.

**ARTICLE IV**

**TERMINATION**

This Agreement shall terminate and be of no further force or effect upon the earliest of (x) the Expiration Date, (y) the date that any amendment to the Merger Agreement that adversely affects the rights of any Axar Entity without the written consent of the Axar Entities, and (z) June 30, 2019. Notwithstanding the preceding sentence, Section 1.5, this Article IV and Article V shall survive any termination of this Agreement. Nothing in this Article IV relieves any Party of any liability for any breach of any covenant or agreement contained herein occurring prior to termination.

**ARTICLE V**

**MISCELLANEOUS**

**Section 5.1 Expenses.** Each Party shall bear its expenses, costs and fees (including attorneys , auditors and financing fees, if any) in connection with the preparation, execution and delivery of this Agreement and compliance herewith, whether or not the Reorganization and the other transactions contemplated by the Merger Agreement are effected.

**Section 5.2 Notices.** All notices and other communications hereunder must be in writing and will be deemed duly given if delivered personally or through electronic transmission or mailed by a nationally recognized overnight courier or registered or certified mail (return receipt requested), postage prepaid, to the Parties at the following addresses (or at such other address for a Party as specified by like notice, provided, that notices of a change of address will be effective only upon receipt thereof):

If to the Axar Entities, to:

Axar Capital Management, LP

1330 Avenue of the Americas, 30<sup>th</sup> Floor

New York, NY 10019

Attention: Andrew Axelrod

Email: aaxelrod@axarcapital.com

With a copy to (which does not constitute notice):

Schulte Roth & Zabel LLP

919 Third Avenue

New York NY 10022

Attention: Stuart Freedman, Esq.

Email: Stuart.Freedman@srz.com





If to the ACII Entities, to:

American Cemeteries Infrastructure Investors LLC

c/o American Infrastructure Funds

950 Tower Lane

Suite 800

Foster City, CA 94404

Attention: Robert B. Hellman, Jr.

Email: bhellman@aimlp.com

With a copy to (which does not constitute notice):

Vinson & Elkins L.L.P.

1001 Fannin Street, Suite 2500

Houston, Texas 77002

Attention: David P. Oelman

Email: doelman@velaw.com

If to the Partnership:

StoneMor Partners L.P.

3600 Horizon Boulevard

Treose, PA 19053

Attention: General Counsel

Email: aso@stonemor.com

With a copy to (which does not constitute notice):

Vinson & Elkins L.L.P.

1001 Fannin Street, Suite 2500

Houston, Texas 77002

Attention: David P. Oelman

Email: doelman@velaw.com

Notices will be deemed to have been received (i) on the date of receipt if delivered by hand or nationally recognized overnight courier service (ii) in the case of electronic transmission, on the date receipt of such electronic transmission is confirmed in writing or by electronic transmission or (iii) on the date five (5) Business Days after dispatch by certified or registered mail.

**Section 5.1 Non-Survival of Representations and Warranties.** The representations and warranties of the Parties contained herein shall not survive the closing of the transactions contemplated hereby and by the Merger Agreement.

**Section 5.2 Amendments; Waivers.** Any provision of this Agreement may be amended or waived if, and only if, the Company has consented in writing to such amendment or waiver and such amendment or waiver is in writing and signed (a) in the case of an amendment, by each of the Parties, and (b) in the case of a waiver, by the Party against whom the waiver is to be effective. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

**Section 5.3 Assignment.** No Party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the Company and the other Parties hereto.

**Section 5.4 No Partnership, Agency, or Joint Venture.** This Agreement is intended to create, and creates, a contractual relationship and is not intended to create, and does not create, any agency, partnership, joint venture or any like relationship among the Parties hereto.

**Section 5.5 Entire Agreement.** This Agreement, the Merger Agreement and the Nomination and Director Voting Agreement by and among the Axar Entities, the ACII Entities, GP Holdings and GP dated as of the date hereof, constitutes the entire agreement and understanding of the Parties hereto with respect to the matters herein and supersedes all prior agreements and understandings on such matters.

**Section 5.6 Intended Third-Party Beneficiaries.** The provisions of this Agreement are binding upon, inure to the benefit of the Parties hereto and their respective successors and assigns and no provision of this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any Person other than the Parties hereto and their respective successors.

**Section 5.7 Jurisdiction; Specific Performance; Waiver of Jury Trial.**

A. The Parties hereto submit to the exclusive jurisdiction of the Court of Chancery of the State of Delaware or, if such Court does not have subject matter jurisdiction, to the Superior Court of the State of Delaware or, if jurisdiction is vested exclusively in the Federal courts of the United States, the Federal courts of the United States sitting in the State of Delaware, and any appellate court from any such state or Federal court, and hereby irrevocably and unconditionally agree that all claims with respect to any such claim shall be heard and determined in such Delaware court or, to the extent required by applicable Law, in such Federal court. The Parties agree that a final judgment in any such claim is conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law. Each of the Parties irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any related matter in any Delaware state or Federal court located in the State of Delaware and the defense of an inconvenient forum to the maintenance of such claim in any such court.

B. The Parties agree that irreparable damage would occur and that the Parties would not have any adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached and it is accordingly agreed that the Parties and the Partnership shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, in each case, in accordance with this Section 5.8(b) in the Delaware Court of Chancery or any state or federal court sitting in the State of Delaware, this being in

addition to any other remedy to which they are entitled at law or in equity. Each of the Parties agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief as provided herein on the basis that (a) a Party has an adequate remedy at law or (b) an award of specific performance is not an appropriate remedy for any reason at law or equity. Each Party further agrees that no Party nor the Partnership shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 5.8(b), and each Party irrevocably waives any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument.

C. To the extent not prohibited by applicable Law that cannot be waived, each Party hereby irrevocably waives and covenants that it will not assert (whether as plaintiff, defendant or otherwise) any right to trial by jury in any forum in respect of any issue, claim, demand, action or cause of action arising in whole or in part under, related to, based on, or in connection with, this Agreement or the subject matter hereof, whether now existing or hereafter arising and whether sounding in tort or contract or otherwise. Any Party may file an original counterpart or a copy of this Section 5.8(c) with any court as written evidence of the consent of each such Party to the waiver of its right to trial by jury.

**Section 5.8 Governing Law.** This Agreement, and all claims or causes of action (whether in contract or tort) that may be based upon, arise out of or relate to this Agreement, or the negotiation, execution or performance of this Agreement (including any claim or cause of action based upon, arising out of or related to any representation or warranty made in or in connection with this Agreement or as an inducement to enter into this Agreement), shall be governed by the Laws of the State of Delaware, without giving effect to any conflicts of law principles that would result in the application of any Law other than the Law of the State of Delaware.

**Section 5.9 Interpretation.** Unless expressly provided for elsewhere in this Agreement, this Agreement will be interpreted in accordance with the following provisions: (a) the words this Agreement, herein, hereby, hereunder, hereof, and other equivalent words refer to this Agreement as an entirety and not solely to the particular portion, article, section, subsection or other subdivision of this Agreement in which any such word is used; (b) examples are not to be construed to limit, expressly or by implication, the matter they illustrate; (c) the word including and its derivatives means including without limitation and is a term of illustration and not of limitation; (d) all definitions set forth herein are deemed applicable whether the words defined are used herein in the singular or in the plural and correlative forms of defined terms have corresponding meanings; (e) the word or is not exclusive, and has the inclusive meaning represented by the phrase and/or ; (f) a defined term has its defined meaning throughout this Agreement and each exhibit and schedule to this Agreement, regardless of whether it appears before or after the place where it is defined; (g) wherever used herein, any pronoun or pronouns will be deemed to include both the singular and plural and to cover all genders; (h) this Agreement has been jointly prepared by the Parties, and this Agreement will not be construed against any Person as the principal draftsman hereof or thereof and no consideration may be given to any fact or presumption that any Party had a greater or lesser hand in drafting this Agreement; (i) the captions of the articles, sections or subsections appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or extent of such section, or in any way affect this Agreement; (j) any references herein to a particular Section or Schedule means a Section or Schedule to this Agreement unless otherwise expressly stated herein; (k) all references to days mean calendar days unless otherwise provided; and (l) any exhibits attached hereto are deemed a part of this Agreement and are incorporated by reference herein.

**Section 5.10 Counterparts.** This Agreement may be executed in any number of counterparts, each of which is an original, and all of which, when taken together, constitute one Agreement. Delivery of an executed signature page of this Agreement by customary means of electronic transmission (e.g., pdf) will be effective as delivery of a manually executed counterpart hereof.

**Section 5.11 Headings.** The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

**Section 5.12 Severability.** Any provision of this Agreement which is invalid, illegal or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective only to the extent of such invalidity, illegality or unenforceability, without affecting in any way the remaining provisions hereof in such jurisdiction or rendering that or any other provision of this Agreement invalid, illegal or unenforceable in any other jurisdiction.

**Section 5.13 Obligations.** For purposes of clarity, the representations and warranties of the Parties made in this Agreement, and each Party's obligations set forth in this Agreement, shall be applied and enforced on a several and not joint and several basis.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the Parties hereto have duly executed and delivered this Agreement as of the date and year first written above.

**AXAR CAPITAL MANAGEMENT, LP**

By: Axar GP, LLC, its general partner

By: /s/ Andrew Axelrod

Name: Andrew Axelrod

Title: Sole Member

**AXAR GP, LLC**

By: /s/ Andrew Axelrod

Name: Andrew Axelrod

Title: Sole Member

**AXAR MASTER FUND, LTD.**

By: /s/ Andrew Axelrod

Name: Andrew Axelrod

Title: Authorized Signatory

**ROBERT B. HELLMAN, JR., AS  
TRUSTEE UNDER THE VOTING AND  
INVESTMENT TRUST AGREEMENT  
FOR THE BENEFIT OF AMERICAN  
CEMETERIES INFRASTRUCTURE  
INVESTORS, LLC**

By: /s/ Robert B. Hellman, Jr.

Name: Robert B. Hellman, Jr.

Title: Trustee

**STONEMOR GP HOLDINGS LLC**

By: /s/ Robert B. Hellman, Jr.

Name: Robert B. Hellman, Jr.

Title: Authorized Person

**STONEMOR PARTNERS L.P.**

By: StoneMor GP LLC, its general partner

By: /s/ Joseph M. Redling

Name: Joseph M. Redling

Title: President and Chief Executive Officer



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**Exhibit A**

<b>Party Name</b>	<b>Common Units</b>	<b>(Beneficial or of Record)</b>
Axar Capital Management, LP	6,872,773	Beneficial
Axar GP, LLC	6,872,773	Beneficial
Robert B. Hellman, Jr., in his capacity as trustee under the Voting and Investment Trust Agreement for the benefit of American Cemeteries		
Infrastructure Investors, LLC	2,364,162	Record
StoneMor GP Holdings LLC	2,332,878	Record

**Exhibit B**

**FORM OF JOINDER**

**JOINDER AGREEMENT**

This Joinder Agreement is made this        day of       , 20       , by and between        (the *Permitted Transferee* ) and StoneMor GP LLC, a Delaware limited liability company (the *Company* ), pursuant to the terms of the Voting and Support Agreement dated as of        by and among the Company and the other parties thereto (the *Agreement* ) and the Merger Agreement. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

WITNESSETH:

WHEREAS, the Company and the ACII Entities and the Axar Entities have agreed in the Agreement that all Persons to whom Securities are transferred from one or both ACII Entities or one or more of the Axar Entities in accordance with the Agreement must enter into a Joinder Agreement binding such Person to the same