

PEABODY ENERGY CORPORATION  
STOCK OWNERSHIP REQUIREMENTS  
(amended as of October 16, 2018)

The Compensation Committee of the Board of Directors has determined the Company's executives and directors should acquire and retain a significant amount of Company stock in order to align their interests with those of stockholders.

**Executive Officer Ownership Requirements**

Under the executive share ownership requirements adopted by the Company, the Chief Executive Officer is required to acquire and retain Company stock having a value equal to at least five (5) times his or her base salary. Other executives who are designated as "executive officers" of the Company by the Board of Directors are required to acquire and retain Company stock having a value equal to at least three (3) times his or her base salary, or if the executive officer is a Senior Vice President, at least one and a half (1.5) times his or her base salary. Compliance with these requirements is evaluated as of December 31 of each year. The value of an individual's share ownership as of December 31 or at any time during the subsequent year is determined by multiplying the number of shares of Company stock or other eligible equity interests held by the individual by the closing price of the Company's stock as of the business day immediately preceding the date of determination. If at any time an executive does not meet his or her ownership requirement, such executive must retain (a) any Company stock owned by such executive (whether owned directly or indirectly) and (b) any net shares received as the result of the exercise, vesting or payment of any company equity award until the ownership requirement is met, in each case unless otherwise approved in writing by the Compensation Committee. For this purpose, "net shares" means the shares of the Company stock that remain after shares are sold or withheld, as the case may be, to (i) pay the exercise price for a stock option award or (ii) satisfy any tax obligations, including withholding taxes, arising in connection with the exercise, vesting or payment of an equity award.

**Director Ownership Requirements**

Under the Company's share ownership requirements for directors, directors are required to acquire and retain Company stock having a value equal to at least five (5) times his or her annual cash retainer. Directors are also required to retain all equity awards granted by the Company until this ownership requirement is met, less the amount of any shares sold by the director to satisfy any tax obligations, including withholding taxes, arising in connection with the vesting or payment of an equity award. Compliance with these requirements is evaluated as of December 31 of each year. The value of an individual's share ownership as of such date is determined by multiplying the number of shares of the Company stock as of the business day immediately preceding the date of determination.

For purposes of determining stock ownership levels, only the following forms of equity interests in the company shall be included:

- Stock owned directly (including stock or stock units held in any defined contribution plan or employee stock purchase plan);
- Stock held by immediate family members residing in the same household or through trusts for the benefit of the person or his or her immediate family members residing in the same household;
- Unvested restricted stock or restricted stock units (provided that vesting is based solely on the passage of time and/or continued service with the Company): and vested and undistributed deferred stock units held by non-employee directors.