



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶  
**354(a), 358, 368(a)(1)(E), 302, 1001**

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18 Can any resulting loss be recognized? ▶ **See attached.**

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **See attached.**

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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature ▶ R. F. Bruer Date ▶ 03/05/2018

Print your name ▶ Robert F. Bruer Title ▶ VP - TAX

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

PEABODY ENERGY CORPORATION

EIN: 13-4004153

ATTACHMENT TO IRS FORM 8937

REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

**Disclaimer:** The information in Form 8937 and this attachment does not constitute tax advice and does not purport to take into account the specific circumstances that may apply to particular categories of shareholders. Each holder is urged to consult its own tax advisor regarding the particular consequences of the transactions described herein, including the impact on tax basis resulting therefrom.

**PART I**

**Items 10 and 12**

<b>Description</b>	<b>CUSIP</b>	<b>Ticker Symbol</b>
Series A Convertible Preferred Stock	704551 407 (Unrestricted) 704551 209 (Restricted)	BTUPR
Common Stock	704551 100 (Unrestricted) 704551 308 (Restricted)	BTU

**PART II**

**Item 14**

On January 31, 2018 (the "Conversion Date"), all of Peabody Energy Corporation's (the "Company") outstanding Series A Convertible Preferred Stock, par value \$0.01 per share (the "Preferred Stock"), was automatically converted (the "Conversion") into shares of common stock, par value \$0.01 per share, of the Company (the "Common Stock"). On the Conversion Date, each holder of Preferred Stock received 1.88279508 shares of Common Stock for each share of Preferred Stock. Cash was paid in lieu of fractional shares of Common Stock.

**Item 15**

The Conversion constituted a "reorganization" for U.S. federal income tax purposes. As a result, a holder would not have recognized gain or loss upon the Conversion, except with respect to cash, if any, received in lieu of fractional shares of Common Stock. A holder that received cash in lieu of a fractional share would have been treated as receiving the fractional share and then exchanging the fractional share for cash. A holder's aggregate tax basis in the shares of Common Stock received pursuant to the Conversion equals the holder's aggregate tax basis in

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the shares of Preferred Stock it held immediately prior to the Conversion, less the basis allocated to any fractional share of Common Stock.<sup>1</sup>

**Item 16**

A holder's tax basis in each share of Common Stock received pursuant to the Conversion generally equals the holder's aggregate tax basis in the shares of Preferred Stock it held immediately prior to the Conversion, divided by the total number of shares of Common Stock received. If a holder purchased shares of Preferred Stock in different lots at different prices, the holder's tax basis in each lot of Preferred Stock must be allocated separately among the shares of Common Stock received. Holders that acquired their Preferred Stock in different lots should consult their tax advisors regarding the appropriate allocation of basis among the shares of Common Stock received pursuant to the Conversion.

**Item 18**

No loss resulting from the Conversion may be recognized, except to the extent that a holder's tax basis allocated to any fractional share of Common Stock exceeds the amount of cash that the holder received for such fractional share.

**Item 19**

The Conversion occurred on January 31, 2018. Therefore, for calendar year taxpayers, the reportable tax year would be 2018.

The information contained in this attachment does not constitute tax advice. Holders are urged to consult their own tax advisors regarding the particular tax consequences to them of the Conversion.

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<sup>1</sup> Holders of Preferred Stock may have received distributions from the Company of additional shares of Preferred Stock from time to time pursuant to the terms of the Preferred Stock. The amount of such distributions generally would not have been included in a holder's income for U.S. federal income tax purposes. A holder's aggregate tax basis in the Preferred Stock generally would not have increased as a result of the receipt of such additional shares. Holders are advised to consult their own tax advisors as to the treatment of shares of Preferred Stock received in any such distribution and shares of Common Stock received pursuant to the Conversion with respect to such shares of Preferred Stock.