

PEABODY ENERGY CORPORATION
COMPENSATION COMMITTEE CHARTER
(as amended January 21, 2016)

Statement of Purpose

This charter governs the operations of the Compensation Committee ("Committee"). The Committee is appointed by the Board of Directors (the "Board") to discharge the Board's responsibilities relating to the evaluation and compensation of the Company's executive officers (as defined in Rule 3b-7 under the Securities Exchange Act of 1934, as amended ("Exchange Act")). The Committee has overall responsibility for monitoring the performance of the Company's executive officers (i.e. the President and Chief Executive Officer (together, the "CEO"), the CEO's direct reports, and, if he or she is a member of management, the Chairman (the "Executive Chairman")), and evaluating and approving the Company's executive compensation plans, policies and programs. The Committee also reviews and approves any benefit plans that directly impact the Company's executive officers, except for those that are broad-based in nature and impact employees on a Company-wide basis (unless otherwise required by law). The Company, under the direction of the CEO, is responsible for overall compensation and benefits plan design for non-executive employees.

The Committee shall produce an annual compensation committee report for inclusion or incorporation by reference in the Company's proxy statement and annual report on Form 10-K.

Committee Organization

The Committee shall be appointed by the Board of Directors and shall consist of at least three directors, each of whom shall meet (1) the independence requirements of the New York Stock Exchange (the "NYSE"), (2) the "non-employee director" definition of Rule 16b-3 promulgated under Section 16 of the Exchange Act, and (3) the "outside director" definition of Section 162(m) of the Internal Revenue Code of 1986, as amended. The Board of Directors must affirmatively determine that a director satisfies the foregoing independence requirements before appointment to the Committee and at least annually thereafter. In evaluating a director's independence, the Board of Directors should consider all relevant facts and circumstances, including, without limitation, any relationships that such director has with the Company and/or its management, and the potential impact that such relationships could have on the perception of the investment community.

One member of the Committee shall be appointed as its Chairperson by the Board of Directors. The Board of Directors shall have the power at any time to replace any member or fill any vacancy in the Committee. A Committee member may resign by giving written notice to the Board of Directors and may resign Committee membership without resigning from the Board of Directors.

Meetings

The Committee shall meet at least 4 times per year, or more frequently as circumstances dictate. The Chairperson shall preside at each meeting and, in the absence of the Chairperson, one of the other members of the Committee shall be designated as the acting chair of the meeting. The Chairperson (or acting chair) may direct appropriate members of management and staff to prepare draft agendas and related background information for each Committee meeting. The

draft agenda and related background information shall be reviewed and approved by the Chairperson (or acting chair) in advance of distribution to the other Committee members. Any background materials, together with the agenda, should be distributed to the Committee members in advance of the meeting. All meetings of the Committee shall be held pursuant to the Company's bylaws with regard to notice and waiver thereof, and written minutes of each meeting, in the form approved by the Committee, shall be duly filed in the Company records. The Committee shall periodically hold executive sessions at their meetings without management present. At the Board's request or as the Chairperson determines necessary, reports of meetings of the Committee shall be made to the Board of Directors at its next regularly scheduled meeting following the Committee meeting accompanied by any recommendations to the Board of Directors approved by the Committee.

Statement of Responsibilities

The Committee shall have the following primary responsibilities:

- Review and recommend to the Board of Directors, at least annually, the compensation philosophy for the executive officers and delegate responsibility to executive officers to review the compensation philosophy for other employees.
- The Committee shall annually review the performance of and subsequent determination and approval of the compensation of the executive officers of the Company (other than the Executive Chairman and/or the CEO), including salary, bonus and incentive compensation levels (annual and long-term), deferred compensation, executive perquisites, equity compensation, employment agreements, severance arrangements, retirement and other post-employment benefits, and change-in-control benefits (in each case as and when appropriate). In determining the compensation of such executive officers, the Committee shall review and approve corporate goals and objectives relevant to such compensation and evaluate their performance in light of those goals and objectives. In determining the long-term incentive component of executive officer compensation, the Committee will consider, among other things, the Company's performance and relative shareholder return, the value of similar incentive awards to similarly situated executives at comparable companies, and the awards given to the executive officers in past years. Prior to determining compensation of the executive officers (other than the Executive Chairman and/or the CEO), the Committee shall review with the CEO the performance of such executive officers. Nothing in this provision shall be construed as precluding discussion of compensation of these executive officers with the full Board of Directors.
- The Committee, in executive session called and facilitated by the Chairman of the Board (or if the Chairman is not independent, the Lead Independent Director) with the other independent members of the Board of Directors established as a special committee of the Board solely for such purpose, shall in discussion led by the Chairperson of the Committee annually review the performance of and subsequent determination and approval of the compensation of the Executive Chairman and/or the CEO, including salary, bonus and incentive compensation levels (annual and long-term), deferred compensation, executive perquisites, equity compensation, employment agreements, severance arrangements, retirement and other post-employment benefits, and change-in-control benefits (in each case as and when appropriate). In determining the compensation of the Executive Chairman and/or the CEO, the Committee and the special committee of the Board shall review and approve corporate goals and objectives relevant to such compensation and evaluate their performance in light of those goals and objectives. In determining the long-term incentive component of the

Executive Chairman's and/or the CEO's compensation, the Committee and the special committee of the Board will consider, among other things, the Company's performance and relative shareholder return, the value of similar incentive awards to similarly situated roles at comparable companies, and the awards given to them in past years. The Chairperson of the Committee and the Chairman of the Board or the Lead Independent Director, as applicable, will jointly communicate the contents and results of the evaluations to each of the Executive Chairman and/or the CEO.

- The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser and shall be directly responsible for the appointment, compensation and oversight of the work of any such compensation consultant, legal counsel or other adviser. In making any such decisions, the Committee shall consult with the Chairman of the Board or the Lead Independent Director, as applicable. The Company will provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to a compensation consultant, legal counsel or other adviser retained by the Committee. The Committee may select a compensation consultant, legal counsel or other advisor to the Committee only after taking into consideration all factors relevant to that person's independence from management, including those specified in Section 303A.05(c) of the NYSE Listed Company Manual.
- The Committee shall administer the Company's annual and long-term incentive compensation plans and programs for the Executive Chairman, the CEO and the other executive officers (and have the right to terminate those plans and programs). All equity-based plans (and amendments) and other significant incentive plans shall be submitted for approval by the Board of Directors and, to the extent required by the rules of the NYSE or other applicable law, by the stockholders of the Company. The Committee shall oversee the Company's compliance with NYSE rules requiring stockholder approval of equity-based plans and programs.
- The Committee shall periodically assess the Company's Board of Directors compensation program and, when appropriate, recommend modifications for consideration by the Board of Directors. In considering the amount of director compensation to be paid, the Board of Directors shall consider, among other factors, the compensation paid to directors of comparable public companies.
- The Committee shall oversee the Company's monitoring of compliance with the requirements under the Sarbanes-Oxley Act of 2002 relating to 401(k) plans and loans to directors and officers. The Committee also shall oversee the Company's monitoring of compliance by its directors and officers (as defined in Rule 16a-1 under the Exchange Act) with their reporting requirements under Section 16(a) of the Exchange Act. The Committee will also review the status of stock ownership of directors and executive officers relative to the Company's requirements. The Committee will also review executive officer compensation packages in the event of termination of employment under various scenarios, and executive officer compensation packages in the event of a change of control.
- The Committee shall review and discuss with management the Compensation Discussion and Analysis ("CD&A") required to be included in the Company's proxy statement and annual report on Form 10-K by the rules and regulations of the Securities and Exchange Commission and, based on such review and discussion, determine whether or not to recommend to the Board of Directors that the CD&A be so included.

- The Committee may form and delegate authority to subcommittees when appropriate.
- The Committee shall review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board of Directors for approval. The Committee shall annually review its own performance and report the results of this evaluation to the Board of Directors (with input from the Board of Directors). The Committee shall annually review the performance of the Committee's compensation consultants.