Parsley Energy, Inc.
Form DEF 14A
April 22, 2016
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant x Filed by a party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Under §240.14a-12

Parsley Energy, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(2) Form, Schedule or Registration Statement No.:

(3) Filing party:

(4) Date Filed:

PARSLEY ENERGY, INC.

303 Colorado Street, Suite 3000

Austin, Texas 78701

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To the stockholders of Parsley Energy, Inc.:

Notice is hereby given that the 2016 Annual Meeting of Stockholders of Parsley Energy, Inc. (the Company) will be held at the JW Marriott Austin, 110 E 2nd Street, Austin, TX 78701, on June 2, 2016, at 8:00 a.m. Central Time (the Annual Meeting). The Annual Meeting is being held for the following purposes:

1. To elect three Class II directors, each for a term of three years.

2. To ratify the appointment of KPMG LLP as the Company s independent registered public accountants for the fiscal year ending December 31, 2016.

3. To vote on the approval, on a non-binding advisory basis, of the Company s named executive officer compensation for the fiscal year ended December 31, 2015.

4. To vote on the approval, on a non-binding advisory basis, of the frequency of future advisory votes on the Company s named executive officer compensation.

5. To transact such other business as may properly come before the Annual Meeting or any adjournments thereof.

Each outstanding share of the Company s common stock (NYSE: PE) entitles the holder of record at the close of business on April 11, 2016, to receive notice of and to vote at the Annual Meeting or any adjournment or postponement of the Annual Meeting.

We are pleased to take advantage of Securities and Exchange Commission rules that allow us to furnish our proxy materials and our annual report to stockholders on the Internet. We believe that posting these materials on the Internet enables us to provide stockholders with the information that they need more quickly, while lowering our costs of printing and delivery and reducing the environmental impact of our Annual Meeting.

WHETHER OR NOT YOU EXPECT TO ATTEND THE MEETING, WE URGE YOU TO VOTE YOUR SHARES BY INTERNET, TELEPHONE, OR BY SIGNING, DATING AND RETURNING THE PROXY CARD YOU WILL RECEIVE IF YOU REQUEST PRINTED MATERIALS. IF YOU CHOOSE TO ATTEND THE ANNUAL MEETING, YOU MAY STILL VOTE YOUR SHARES IN PERSON, EVEN THOUGH YOU HAVE PREVIOUSLY VOTED OR RETURNED YOUR PROXY BY ANY OF THE METHODS DESCRIBED IN OUR PROXY STATEMENT. IF YOUR SHARES ARE HELD IN A BANK OR BROKERAGE ACCOUNT, PLEASE REFER TO THE MATERIALS PROVIDED BY YOUR BANK OR BROKER FOR VOTING INSTRUCTIONS.

ALL STOCKHOLDERS ARE EXTENDED A CORDIAL INVITATION TO ATTEND THE MEETING.

By Order of the Board of Directors,
Bryan Sheffield
President, Chief Executive Officer and

Chairman of the Board

Austin, Texas

April 22, 2016

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PARSLEY ENERGY, INC.

303 Colorado Street, Suite 3000

Austin, Texas 78701

PROXY STATEMENT

2016 ANNUAL MEETING OF STOCKHOLDERS

The Board of Directors (the Board of Directors or the Board) of Parsley Energy, Inc. (the Company) requests your proxy for the 2016 Annual Meeting of Stockholders that will be held on June 2, 2016, at 8:00 a.m. Central Time, at the JW Marriott Austin, 110 E 2nd Street, Austin, TX 78701 (the Annual Meeting). By granting the proxy, you authorize the persons named on the proxy to represent you and vote your shares at the Annual Meeting. Those persons will also be authorized to vote your shares to adjourn the Annual Meeting from time to time and to vote your shares at any adjournments or postponements of the Annual Meeting. The Board has made this proxy statement (the Proxy Statement) and the accompanying Notice of Annual Meeting of Stockholders available on the Internet at *www.proxyvote.com*. The approximate date on which this Proxy Statement, accompanying Notice of Internet Availability of Proxy Materials (the Notice) and proxy card, and the Company s 2015 Annual Report to Stockholders are first being made available to stockholders at *www.proxyvote.com* is April 22, 2016.

ABOUT THE ANNUAL MEETING

Purpose of the Annual Meeting

The purpose of the Annual Meeting is for our stockholders to consider and act upon the proposals described in this Proxy Statement and any other matters that properly come before the Annual Meeting or any adjournment or postponement thereof.

Proposals to be Voted Upon at the Annual Meeting

At the Annual Meeting, our stockholders will be asked to consider and vote upon the following four proposals:

Proposal ONE: To elect the three Class II directors to the Board set forth in this Proxy Statement, each of whom will hold office until the 2019 Annual Meeting of Stockholders and until his successor is elected and qualified or until his earlier death, resignation or removal.

Proposal TWO: To ratify the appointment of KPMG LLP (KPMG) as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2016.

Proposal THREE: To vote on the approval, on a non-binding advisory basis, of the compensation of the Company s Named Executive Officers as disclosed in this Proxy Statement, for the fiscal year ended December 31, 2015.

Proposal FOUR: To vote on the approval, on a non-binding advisory basis, of how frequently the Company should seek an advisory vote on the compensation of the Company s Named Executive Officers.

In addition, any other matters that properly come before the Annual Meeting or any adjournment or postponement thereof will be considered. Management is presently aware of no other business to come before the Annual Meeting.

Recommendation of the Board

The Board recommends that you vote FOR each of the nominees to the Board (Proposal ONE); FOR the ratification of the appointment of KPMG as our independent registered public accounting firm for the fiscal year ending December 31, 2016 (Proposal TWO); FOR the approval, on a non-binding advisory basis, of the Company s Named Executive Officer compensation for the fiscal year ended December 31, 2015 (Proposal THREE); and FOR the frequency, on a non-binding advisory basis, of 1 year for future advisory votes on the Company s Named Executive Officer compensation (Proposal FOUR).

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting To Be Held on June 2, 2016

Pursuant to the notice and access rules adopted by the Securities and Exchange Commission (the SEC), we have elected to provide stockholders access to our proxy materials over the Internet. The approximate date on which this Proxy Statement, accompanying Notice of 2016 Annual Meeting of Stockholders and proxy card, and the Company s 2015 Annual Report to Stockholders are first being made available to stockholders at *www.proxyvote.com* is April 22, 2016. The Notice will be sent to all of our stockholders as of the close of business on April 11, 2016 (the Record Date). The Notice includes instructions on how to access our proxy materials over the Internet and how to request a printed copy of these materials. In addition, by following the instructions in the Notice, stockholders may request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis.

Choosing to receive your future proxy materials by e-mail will save the Company the cost of printing and mailing documents to you and will reduce the impact of the Company s annual meetings on the environment. If you choose to receive future proxy materials by e-mail, you will receive an e-mail next year with instructions containing a link to those materials and a link to the proxy voting site. Your election to receive proxy materials by e-mail will remain in effect until you terminate it.

Our Annual Report to Stockholders and this Proxy Statement are available at *www.proxyvote.com*.

Voting at the Annual Meeting

The Company s Class A common stock (including restricted shares of Class A common stock), par value $0.01 per share (the Class A Common Stock), and Class B common stock, par value $0.01 per share (the Class B Common Stock, and together with the Class A Common Stock, the Common Stock), are the only classes of securities that entitle holders to vote generally at meetings of the Company s stockholders. Holders of Class A Common Stock and Class B Common Stock will vote together as a single class on all matters presented at the Annual Meeting. Each share of Common Stock outstanding on the Record Date entitles the holder to one vote at the Annual Meeting.

If on the Record Date you hold shares of our Common Stock that are represented by stock certificates or registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, you are considered the stockholder of record with respect to those shares. Broadridge Financial Solutions (Broadridge) is sending these proxy materials directly to you on our behalf. As a stockholder of record, you may vote in person at the Annual Meeting or by proxy. Whether or not you plan to attend the Annual Meeting in person, you may vote by Internet by following the instructions on the Notice. If you request printed copies of the proxy materials by mail, you may also vote by signing and submitting your proxy card or by submitting your vote by telephone. Whether or not you plan to attend the Annual Meeting, we urge you to vote by way of the Internet, by telephone or by filling out and returning the proxy card you will receive upon request of printed materials. If you submit a proxy but do not give voting instructions as to how your shares should be voted on a particular proposal at the Annual Meeting, your shares will be voted in accordance with the recommendations of our Board stated in this Proxy Statement. Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its use by (1) delivering a written notice of revocation addressed to Parsley Energy, Inc., Attn: General Counsel, 303 Colorado Street, Suite 3000, Austin, Texas 78701, (2) a duly executed proxy bearing a later date, (3) voting again by Internet or by telephone or (4) attending the

Annual Meeting and voting in person. Your last vote or proxy will be the vote or proxy that is counted. Attendance at the Annual Meeting will not cause your previously granted proxy to be revoked unless you vote or specifically so request.

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If on the Record Date you hold shares of our Common Stock in an account with a brokerage firm, bank or other nominee, then you are a beneficial owner of the shares and hold such shares in street name, and these proxy materials will be forwarded to you by that organization. As a beneficial owner, you have the right to direct your broker, bank or other nominee on how to vote the shares held in their account, and the nominee has enclosed or provided voting instructions for you to use in directing it how to vote your shares. The nominee that holds your shares, however, is considered the stockholder of record for purposes of voting at the Annual Meeting. Because you are not the stockholder of record, you may not vote your shares in person at the Annual Meeting unless you bring to the Annual Meeting a letter from your broker, bank or other nominee confirming your beneficial ownership of the shares. Whether or not you plan to attend the Annual Meeting, we urge you to vote by following the voting instructions provided to you to ensure that your vote is counted.

If you are a beneficial owner and do not vote, and your broker, bank or other nominee does not have discretionary power to vote your shares, your shares may constitute broker non-votes. Shares that constitute broker non-votes will be counted for the purpose of establishing a quorum at the Annual Meeting. Voting results will be tabulated and certified by the inspector of elections appointed for the Annual Meeting. If you receive more than one Notice, it is because your shares are registered in more than one name or are registered in different accounts. Please follow the instructions on each Notice received to ensure that all of your shares are voted.

A list of stockholders entitled to vote at the Annual Meeting will be available for inspection during ordinary business hours for a period of ten days before the Annual Meeting at our offices located at 303 Colorado Street, Suite 3000, Austin, Texas 78701. The list will also be available for inspection at the Annual Meeting.

Quorum Requirement for the Annual Meeting

The presence at the Annual Meeting, whether in person or by valid proxy, of the persons holding a majority of shares of Common Stock outstanding on the Record Date will constitute a quorum, permitting us to conduct our business at the Annual Meeting. On the Record Date, there were 157,613,283 shares of Class A Common Stock and 32,145,296 shares of Class B Common Stock outstanding, held by 27 and 11 stockholders of record, respectively. Abstentions (*i.e.*, if you or your broker mark ABSTAIN on a proxy) and broker non-votes will be considered to be shares present at the meeting for purposes of a quorum. Broker non-votes occur when shares held by a broker for a beneficial owner are not voted with respect to a particular proposal and generally occur because the broker (1) does not receive voting instructions from the beneficial owner and (2) lacks discretionary authority to vote the shares. Brokers and other nominees have discretionary authority to vote on ratification of our independent public accounting firm for clients who have not provided voting instructions. However, without voting instructions from their clients, they cannot vote on non-routine proposals, including the election of directors.

Required Votes

Election of Directors. Each director will be elected by the affirmative vote of the plurality of the votes validly cast on the election of directors at the Annual Meeting. Abstentions and broker non-votes are not taken into account in determining the outcome of the election of directors.

Ratification of our Independent Public Accounting Firm. Approval of the proposal to ratify the Audit Committee s appointment of KPMG as our independent registered public accounting firm for the fiscal year ending December 31, 2016, requires the affirmative vote of the holders of at least a majority of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote. Broker non-votes are not taken into account in determining the outcome of this proposal, and abstentions will have the effect of a vote against this proposal.

Approval of Named Executive Officer Compensation. Approval, on a non-binding advisory basis, of the compensation of the Company s Named Executive Officers for the fiscal year ended December 31, 2015 requires

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the affirmative vote of the holders of at least a majority of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote. Broker non-votes are not taken into account in determining the outcome of this proposal, and abstentions will have the effect of a vote against this proposal. This advisory vote on executive compensation is not binding on the Company, the Compensation Committee or the Board. However, the Compensation Committee and the Board will take into account the result of the vote when determining future executive compensation programs.

Frequency of Future Advisory Votes on Executive Compensation. The frequency of the say-on-pay vote every one year, every two years or every three years that receives the greatest number of votes will be the frequency that the stockholders approve on a non-binding advisory basis. Abstentions and broker non-votes are not taken into account in determining the outcome of this proposal. This advisory vote on the frequency of the say-on-pay vote is not binding on the Board. However, the Board will take into account the result of the vote when determining the frequency of future say-on-pay votes.

Solicitation of Proxies

We will bear the cost of solicitation of proxies. This includes the charges and expenses of brokerage firms and others for forwarding solicitation material to beneficial owners of our outstanding Common Stock. We may solicit proxies by mail, personal interview, telephone or via the Internet through our officers, directors and other management employees, who will receive no additional compensation for their services.

Default Voting

A proxy that is properly completed and submitted will be voted at the Annual Meeting in accordance with the instructions on the proxy. If you properly complete and submit a proxy, but do not indicate any contrary voting instructions, your shares will be voted FOR each of the director nominees listed in Proposal ONE, FOR Proposal TWO, FOR Proposal THREE and FOR the frequency of 1 year for future advisory votes in Proposal FOUR.

If any other business properly comes before the stockholders for a vote at the meeting, your shares will be voted in accordance with the discretion of the holders of the proxy. The Board of Directors knows of no matters, other than those previously stated, to be presented for consideration at the Annual Meeting.

We are a holding company that was incorporated as a Delaware corporation on December 11, 2013, for the purpose of facilitating an initial public offering (IPO) of common equity and to become the sole managing member of Parsley Energy, LLC, which we refer to as Parsley LLC. Our principal asset is a controlling equity interest in Parsley LLC. On May 22, 2014, a registration statement filed on Form S-1 with the SEC relating to shares of our Class A Common Stock, was declared effective. The IPO closed on May 29, 2014. Prior to the IPO, we had not engaged in any business or other activities except in connection with our formation and the IPO. In this Proxy Statement, the terms the Company, we, us, our and similar terms when used in the present tense, prospectively or for historical periods since May 22, 2014, refer to Parsley Energy, Inc. and its subsidiaries, and for historical periods prior to May 22, 2014, refer to Parsley Energy, LLC and its subsidiaries, unless the context indicates otherwise.

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PROPOSAL ONE:

ELECTION OF DIRECTORS

At the recommendation of the Nominating and Governance Committee, the Board of Directors has nominated the following individuals for election as Class II directors of the Company, to serve for three-year terms beginning at the Annual Meeting and expiring at the 2019 Annual Meeting of the Stockholders, and until either they are re-elected or their successors are elected and qualified:

David H. Smith

Randolph Newcomer, Jr.

William Browning

Mr. Smith, Mr. Newcomer and Mr. Browning are currently serving as directors of the Company. If Mr. Smith, Mr. Newcomer and Mr. Browning are elected to the Board of Directors, the size of the Board will remain at seven members. Biographical information for each nominee is contained in the Directors and Executive Officers section below.

The Board of Directors has no reason to believe that its nominees will be unable or unwilling to serve if elected. If a nominee becomes unable or unwilling to accept nomination or election, either the number of the Company s directors will be reduced or the persons acting under the proxy will vote for the election of a substitute nominee that the Board of Directors recommends.

Vote Required

The election of directors in this Proposal ONE requires the affirmative vote of a plurality of the votes validly cast at the election. Neither abstentions nor broker non-votes will have any effect on the outcome of voting on director elections.

Recommendation

The Board of Directors unanimously recommends that stockholders vote FOR the election of each of the nominees.

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DIRECTORS AND EXECUTIVE OFFICERS

After the Annual Meeting, assuming the stockholders elect the nominees of the Board of Directors as set forth in Proposal ONE: Election of Directors above, the Board of Directors of the Company will be, and the executive officers of the Company are:

Name	Age	Title
Bryan Sheffield	38	President, Chief Executive Officer and Chairman of the Board
Matthew Gallagher	33	Vice President Chief Operating Officer
Paul Treadwell	48	Vice President Operations
Mike Hinson	47	Vice President Land
Ryan Dalton	36	Vice President Chief Financial Officer
Thomas B. Layman	58	Vice President Geoscience
Colin Roberts	37	Vice President General Counsel
Brad Smith	40	Vice President Corporate Strategy and Investor Relations
David H. Smith(3)	46	Director
A.R. Alameddine(2)	68	Director
Randolph Newcomer, Jr.(1)(3)	49	Director
Dr. Hemang Desai(1)(2)	50	Director
William Browning(1)	62	Director
Ronald Brokmeyer (1)(2)	53	Director

(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Nominating and Governance Committee.

The Company s Board of Directors currently consists of seven members, and if the stockholders elect Mr. Smith, Mr. Newcomer and Mr. Browning to the Board, the Board will continue to consist of seven members. The Company s directors are divided into three classes serving staggered three-year terms. Each year, the directors of one class stand for re-election as their terms of office expire. Messrs. Sheffield and Alameddine are designated as Class III directors, and their terms of office expire in 2017. Dr. Desai and Mr. Brokmeyer are designated as a Class I directors, and their terms of office expire in 2018. Messrs. Smith, Newcomer and Browning are designated as Class II directors, and, assuming the stockholders elect them to the Board as set forth in Proposal ONE: Election of Directors above, their terms of office will expire in 2019.

Set forth below is biographical information about each of the Company s executive officers, directors and nominees for director.

Bryan Sheffield President, Chief Executive Officer and Chairman of the Board. Bryan Sheffield established Parsley Energy, L.P. in 2008. He began his oil and gas career at Pioneer Natural Resources (Pioneer), where he was an Operations Tech monitoring Pioneer s non-operated properties in the Spraberry Trend from 2007 to 2008. Mr. Sheffield graduated from Southern Methodist University in 2001 with a Bachelor of Business Administration in Finance. We believe that Mr. Sheffield s experience founding and leading the growth of the Company as our President and Chief Executive Officer qualifies him to serve on our Board of Directors.

Matthew Gallagher Vice President Chief Operating Officer. Matthew Gallagher joined us in September 2010. Prior to joining Parsley, Mr. Gallagher served as Investor Relations Supervisor for Pioneer from 2008 to 2010. From 2005 to 2008, Mr. Gallagher held a variety of engineering roles with Pioneer, including Gulf of Mexico Shelf Reservoir Engineer, Hugoton Reservoir Engineer, and Spraberry Production and Operations

Engineer. Mr. Gallagher has a Bachelor of Science in Petroleum Engineering from Colorado School of Mines and is a member of the Permian Basin Society of Petroleum Engineers and West Texas Geological Society.

Paul Treadwell Vice President Operations. Paul Treadwell joined us in July 2008. Prior to joining the Company, Mr. Treadwell spent 17 years with Parker and Parsley Petroleum Company (Parker and Parsley) and Pioneer in a variety of operations and management roles. Mr. Treadwell has over 29 years of experience in oil and gas operations. He has an Associate in Applied Science degree from Western Texas College and is a member of the Society of Petroleum Engineers.

Mike Hinson Vice President Land. Mike Hinson joined us in August 2009. Prior to joining the Company, Mr. Hinson worked in land management for Parker and Parsley and Pioneer for 12 years. He has an Associate of Arts degree from Odessa College and a Bachelor of Science degree in Kinesiology from the University of Texas of the Permian Basin. He is a member of both the Permian Basin Landmen s Association and the American Association of Petroleum Landmen organization.

Ryan Dalton Vice President Chief Financial Officer. Ryan Dalton joined us in January 2012. From 2009 to 2012, Mr. Dalton worked in the restructuring and debt advisory practice of Rothschild, an investment bank and financial advisory firm. Prior to departing to pursue an M.B.A., Mr. Dalton worked as a management consultant at AlixPartners, LP for five years. Mr. Dalton holds a Bachelor in Business Administration in Finance from Southern Methodist University and a Masters in Business Administration from the Darden School of Business at the University of Virginia.

Thomas B. Layman Vice President Geoscience. Thomas B. Layman has served as our Vice President Geoscience since May 2014 and has over 35 years of oil and gas industry experience. Prior to joining the Company, from 2006 to 2014 he was employed by Chesapeake Energy Corporation (Chesapeake). During his tenure, he served as Vice President of Southern Division Exploration and was responsible for exploration efforts in the Mid-Continent, Permian, Fort Worth and Gulf Coast Basins. Previous roles at Chesapeake included: Vice President of Geoscience for the Eastern Division, where he directed exploration and development efforts for the Marcellus and Utica plays, and Geoscience Manager of the Barnett District. From 1994 to 2006, Mr. Layman worked for Burlington Resources as Geoscience Manager and from 1987 to 1994 at Exxon Company USA as a geologist. Mr. Layman started his career in 1981 working on drilling rigs as a mud logger. He holds a M.A. degree in Geology from the University of Texas at Austin and a B.S. degree in Agronomy from the Pennsylvania State University. He is a 30-year member of AAPG and is a Certified Petroleum Geologist. Mr. Layman currently serves on the Geology Foundation Advisory Council at the University of Texas at Austin.

Colin Roberts Vice President General Counsel. Colin Roberts has served as our General Counsel since April 2013. Prior to joining the Company, Mr. Roberts practiced corporate law with Alston & Bird LLP from 2008 to 2013. Mr. Roberts earned a Bachelor in Business Administration in Finance and Real Estate Finance from Southern Methodist University and a J.D. from the University of Kentucky College of Law.

Brad Smith Vice President Corporate Strategy and Investor Relations. Brad Smith joined us in January 2014. Before joining the Company, Mr. Smith pursued graduate studies at Princeton University starting in 2008 while simultaneously holding various research positions, including a visiting scholar role at Rice University. Mr. Smith s previous experience includes oil and gas equity research at Credit Suisse, management consulting with PricewaterhouseCoopers, and other academic positions at Rice University. Mr. Smith graduated *summa cum laude* from Baylor University with a Bachelor of Arts in Business Administration and earned a Ph.D. in Sociology from Princeton University.

David H. Smith Director. David H. Smith is the Vice-President of Davis, Gerald & Cremer, P.C. (DGC), a boutique oil and gas law firm, where he has practiced law since 1999. He has served on our Board of Directors since December 2013. Mr. Smith heads the business organizations & transactions practice at DGC. Prior to joining DGC, Mr. Smith practiced with Thompson & Knight in Dallas, Texas, from 1995 to 1999. Mr. Smith is a member of the advisory board of the Institute for Energy Law and a member of the Republican

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Jewish Coalition. Mr. Smith is a *magna cum laude* graduate of the University of Houston Law Center, where he served as an Editor of the Law Review and was a member of the Order of the Coif, Order of the Barons and Phi Delta Phi. He attended Harvard University and Boston University, earning his undergraduate degree in Economics and Business Administration from Boston University in 1992. We believe that Mr. Smith s experience representing oil and gas companies on complex business transactions qualifies him for service on our Board of Directors.

A.R. Alameddine Director. A.R. Alameddine is the former Executive VP Worldwide Negotiation Execution and Implementation at Pioneer, a position he held from 2005 until his retirement in 2008. He has served on our Board of Directors since December 2013. Mr. Alameddine joined Pioneer in 1997 and previously held the positions of VP Domestic Business Development and later Executive VP of Worldwide Business Development. Before joining Pioneer, Mr. Alameddine spent 26 years with Mobil Exploration & Producing Company (Mobil) in various engineering and planning positions in the United States. In addition, he was a member of the Gas Venture Group in Stavanger Norway for three years marketing gas production from the Statfjord Field in the North Sea. Prior to his retirement from Mobil in 1997 he was the Acquisition, Trade and Sales Manager, a position he had held since 1990. Mr. Alameddine graduated from Louisiana State University in 1971 with a Bachelor degree of Science in Petroleum Engineering. We believe that Mr. Alameddine s executive management experience in the oil and gas industry qualifies him for service on our Board of Directors.

Randolph Newcomer, Jr. Director. Randolph Newcomer, Jr. serves as the Chief Executive Officer and President of Riverbend Oil & Gas, L.L.C. (and affiliates) (Riverbend), a position he has held since forming Riverbend in 2003. He has served on our Board of Directors since April 2014. Mr. Newcomer served as a Vice President of EnCap Investments L.P. (from 1997 to 2003, Houston) where he evaluated and co-managed a multitude of exploration and production financings involving mezzanine debt and equity investments. Mr. Newcomer began his career in 1989 at Amoco Production Company (Houston) (Amoco) serving in diverse production and reservoir engineering, business development, and acquisition and divestment roles (notably on the transaction support team associated with the formation of Altura Energy), with all Amoco service time associated with assets in the Permian Basin. He holds a B.S. in Petroleum Engineering from Texas A&M University and an Executive M.B.A. from the University of Houston. E&P companies that Mr. Newcomer has served and/or serves on the Board of Directors of include Riverbend, Ovation Energy, Chalker Energy II & III, and Navidad Resources. Furthermore, he has served or serves on the Board of Directors of Houston Producer s Forum and the Advisory Boards of Yellowstone Academy and Stoney Creek Ranch. We believe that Mr. Newcomer s experience as a chief executive officer of an oil and gas company, as well as his broad knowledge of the industry and oil and gas investments, qualify him for service on our Board of Directors.

Dr. Hemang Desai Director. Hemang Desai, Ph.D., is the Accounting Department Chair and Robert B. Cullum Professor of Accounting at Southern Methodist University (SMU). He has served on our Board of Directors since July 2014. Dr. Desai joined SMU s faculty in 1998 and has served as the Accounting Department Chair since 2010. His research on accounting and capital markets has been published in top academic journals and has been the subject of articles at publications such as the Wall Street Journal, Barron s, the New York Times and CFO Magazine. Dr. Desai s consulting clients have included McKinsey & Co., Entergy Corp, and Baker & McKenzie. He received a B.Sc. from St. Xavier s College, Bombay, India in 1986, an M.B.A. from the University of New Orleans in 1990, and a Ph.D. in Business Administration from the Freeman School of Business at Tulane University in 1997. We believe that Dr. Desai s experience and broad knowledge in matters of capital markets and accounting qualify him for service on our Board of Directors.

William Browning Director. William Browning has dedicated his time to serving on the boards of directors for various corporations and non-profit organizations since January 2012. He has served on our Board of Directors since August 2014. Prior to this, Mr. Browning was a senior client service partner at Ernst & Young LLP (Ernst & Young) from 1999 through 2012, the latter four years of which he also served as managing partner of Ernst & Young s Los

Angeles office. He began his professional career with Arthur Andersen & Co. in 1976, where he was admitted to the partnership in 1987 and named managing partner of the firm s Oklahoma

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City office in 1994. During his public accounting career, Mr. Browning accumulated experience across a number of industries, including the entire energy value chain, and developed expertise in domestic banking and regulatory compliance. He serves on the boards of directors of McCarthy Holdings, the holding company for McCarthy Building Companies, Inc., a commercial builder, Community Bank, based in Pasadena, California, and Ares Commercial Real Estate Corporation, a real estate investment trust. He received a B.B.A. from the University of Oklahoma and is a certified public accountant in Oklahoma, California, and Texas. We believe that Mr. Browning s extensive experience on boards of directors and knowledge on accounting and auditing matters qualify him for service on our Board of Directors.

Ronald Brokmeyer Director. Ronald Brokmeyer is the former President and General Manager of the Permian Resources business unit of Occidental Petroleum Corp. (Occidental), a position he held from 2013 until his retirement in July 2014. He has served on our Board of Directors since March 2016. Mr. Brokmeyer joined Occidental in 2000 and held a number of engineering and managerial positions with the company, both domestically and internationally. Mr. Brokmeyer began his career at Amoco Corporation in 1985, where he worked in different engineering roles prior to joining Altura Energy from 1997 to 2000. Mr. Brokmeyer received a Bachelor of Science in Petroleum Engineering from Texas Tech University in 1984. We believe that Mr. Brokmeyer s extensive management and technical experience in the oil and gas industry qualifies him for service on our Board of Directors.

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MEETINGS AND COMMITTEES OF DIRECTORS

The Board of Directors held six meetings during 2015, including two special meetings, and its independent directors met in executive session four times during 2015. During 2015, each of our directors attended at least 75% of the meetings of the Board of Directors and the meetings of the committees of the Board of Directors on which that director served.

Executive Sessions. The Board of Directors holds regular executive sessions in which the independent directors meet without any non-independent directors or members of management. The purpose of these executive sessions is to promote open and candid discussion among the independent directors. The Lead Director presides at these meetings and provides the Board of Directors guidance and feedback to our management team.

The Board of Directors has three standing committees: the Audit Committee, the Compensation Committee and the Nominating and Governance Committee.

The Board of Directors and each Committee of the Board of Directors expects to meet a minimum of four times per calendar year in 2016 and future years.

Audit Committee. The members of the Audit Committee are Messrs. Browning, Newcomer and Brokmeyer and Dr. Desai. As described under Transactions with Related Persons Riverbend Permian L.L.C. Acquisition below, Mr. Newcomer is the President and Chief Executive Officer of an entity from which we have agreed to acquire certain oil and gas interests. Prior to the consummation of the acquisition, which is expected to occur on or before May 16, 2016, Mr. Newcomer expects to resign from the Audit Committee. The Audit Committee held four meetings during 2015. Additional information regarding the functions performed by the Audit Committee and its membership is set forth in the Audit Committee Report included herein and also in the Audit Committee Charter that is posted on the Company s website at *www.parsleyenergy.com*.

Compensation Committee. Responsibilities of the Compensation Committee, which are discussed in detail in the Compensation Committee Charter that is posted on the Company s website at *www.parsleyenergy.com*, include among other duties, the responsibility to:

- review, evaluate and approve the agreements, plans, policies and programs of the Company to compensate the Company s executive officers and directors;
- review and discuss with the Company s management the Compensation Discussion and Analysis included in this Proxy Statement;
- produce the Compensation Committee Report as required by Item 407(e)(5) of Regulation S-K included in this Proxy Statement;
- otherwise discharge the Board s responsibilities relating to compensation of the Company s executive officers and directors; and

perform such other functions as the Board may assign to the Committee from time to time.

The Compensation Committee is delegated all authority of the Board of Directors as may be required or advisable to fulfill its purposes. The Compensation Committee may delegate to its Chairman, any one of its members or any subcommittee it may form, the responsibility and authority for any particular matter, as it deems appropriate from time to time under the circumstances. Meetings may, at the discretion of the Compensation Committee, include members of the Company s management, other members of the Board of Directors, consultants or advisors and such other persons as the Compensation Committee believes to be necessary or appropriate. The Compensation Committee will consult with the Company s Chief Executive Officer when evaluating the performance of, and setting the compensation for, the Company s executive officers other than the Chief Executive Officer.

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The Compensation Committee may, in its sole discretion, retain and determine funding for legal counsel, compensation consultants, as well as other experts and advisors (collectively, Committee Advisors), including the authority to retain, approve the fees payable to, amend the engagement with and terminate any Committee Advisor, as it deems necessary or appropriate to fulfill its responsibilities.

The members of the Compensation Committee are Messrs. Alameddine and Brokmeyer and Dr. Desai. The Compensation Committee held five meetings during 2015.

Nominating and Governance Committee. The Nominating and Governance Committee advises the Board, makes recommendations regarding appropriate corporate governance practices and assists the Board in implementing those practices. The Nominating and Governance Committee further assists the Board by identifying individuals qualified to become members of the Board, consistent with the criteria approved by the Board, and by recommending director nominees to the Board for election at the annual meetings of stockholders or for appointment to fill vacancies on the Board. Additional information regarding the functions performed by the Nominating and Governance Committee is set forth in the Corporate Governance and Stockholder Proposals; Identification of Director Candidates sections included herein and also in the Nominating and Governance Committee Charter that is posted on the Company s website at *www.parsleyenergy.com.*

The members of the Nominating and Governance Committee are Messrs. Smith and Newcomer. As described under Transactions with Related Persons Riverbend Permian L.L.C. Acquisition below, Mr. Newcomer is the President and Chief Executive Officer of an entity from which we have agreed to acquire certain oil and gas interests. Prior to the consummation of the acquisition, which is expected to occur on or before May 16, 2016, Mr. Newcomer expects to resign from the Nominating and Governance Committee, at which time the Board of Directors expects to reevaluate the composition of the Nominating and Governance Committee. The Nominating and Governance Committee held four meetings during 2015.

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COMPENSATION COMMITTEE REPORT

The information contained in this Compensation Committee Report shall not be deemed to be soliciting material or to be filed with the SEC, nor shall such information be incorporated by reference into any future filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates such information by reference in such filing.

The Compensation Committee reviewed and discussed the Compensation Discussion and Analysis required by Item 402 of Regulation S-K promulgated by the SEC with management of the Company, and, based on such review and discussions, the Compensation Committee recommended to the Board of Directors that such Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Compensation Committee of the Board of Directors:

A.R. Alameddine, Chairman

Dr. Hemang Desai, Member

Ronald Brokmeyer, Member

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COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis provides information about our rationale and policies with regard to the compensation of the executive officers who are our Named Executive Officers for 2015. Our Named Executive Officers include our principal executive officer, principal financial officer and the three most highly compensated executive officers other than our principal executive officer and principal financial officer. Our Named Executive Officers for 2015 include:

Name	Title
Bryan Sheffield	President, Chief Executive Officer and Chairman of the Board
Ryan Dalton	Vice President Chief Financial Officer
Matthew Gallagher	Vice President Chief Operating Officer
Thomas B. Layman	Vice President Geoscience
Colin Roberts	Vice President General Counsel

This Compensation Discussion and Analysis is intended to provide context for the tabular disclosure provided in the executive compensation tables below and to provide investors with the material information necessary to an understanding of our compensation policies and decisions.

EXECUTIVE SUMMARY

We are an independent oil and natural gas company operating in the Permian Basin, where we develop unconventional oil and natural gas reserves. As we efficiently and responsibly grow reserves, production, and cash flow by developing our liquids rich resource base, we seek to create value for stockholders, employees, energy consumers, and the communities in which we work. With these goals in mind, our executive compensation program is designed to attract, retain, motivate, and appropriately reward talented and experienced executives while ensuring that the interests of the Named Executive Officers are aligned with the interests of our stockholders.

2015 Company Performance

Despite the headwinds facing the exploration and production industry during the year, we accomplished a number of significant achievements in 2015, including the following:

- We increased full-year 2015 production by 55% over full-year 2014 production, with oil volumes increasing 69% year-over-year. Our 2015 annual production exceeded the upper bound of our target production range by 13%.

- From the fourth quarter of 2014 to the fourth quarter of 2015, we reduced drilling and completion costs by 31%, significantly driven by what we expect to be sustainable efficiency gains, including a 35% reduction in average drilling time.

- We strengthened our financial position over the course of 2015, exiting the year with approximately $770 million of liquidity and a net debt to adjusted annualized EBITDAX ratio of 1.5x, representing improvement on both measures relative to our standing at the end of 2014, when we had approximately $519 million of liquidity and a net debt to adjusted annualized EBITDAX ratio of 1.9x (ratios are pro forma for the acquisition announced in December 2015). Adjusted EBITDAX is not a measure of net income as determined by generally accepted accounting principles (GAAP). See our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 for a reconciliation of the non-GAAP financial measure to GAAP financial measure of net income.

We high-graded our asset base through strategic acquisitions, divestitures, and acreage trades, netting 390 net horizontal drilling locations and 70 lateral extensions. These transactions increased our horizontal inventory by 36% and increased the percentage of that inventory in our core area from 67% to 77%.

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Despite a 49% decline in the projected commodity prices used by the SEC for reserve estimation, we posted strong reserve growth in 2015, increasing proved reserves by 36% year-over-year.

We reduced cash-based general and administrative expenses (excluding stock based compensation) from $6.68/BOE in 2014 to $5.87/BOE in 2015.

We successfully initiated a horizontal drilling program in the Southern Delaware Basin, paving the way for incremental value creation from what we hope will become a new core development area for the Company.

We believe that these operational and financial achievements contributed to the strong performance of our stock in 2015. Against a 30% decline in oil prices, our stock outperformed all but three U.S.-listed exploration and production stocks in 2015 per data from RBC Richardson Barr, registering 16% share price appreciation versus an average share price decline of 51% for all exploration and production stocks.

2015 U.S.-listed Exploration and Production Stock Performance

Source: RBC Richardson Barr; includes the performance of 85 U.S. publicly traded exploration and production company stocks for the period of 12/31/2014 to 12/31/2015

Material Executive Compensation Changes for 2015

* *Implemented new annual cash incentive bonus program to motivate our employees to achieve specific pre-established operational and business goals*

In 2015, we implemented a new annual cash incentive bonus program. Pursuant to this program, our Compensation Committee establishes specific quantitative and qualitative metrics at the beginning of each year. Actual performance with respect to each metric determines the value of the annual cash bonus paid, if any.

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* *Implemented performance-based RSUs to focus long-term equity on performance*

In 2015, we implemented our new long-term equity incentive compensation program. Under the new program, 50% of the long-term equity incentive awards granted to our Named Executive Officers vest based on our relative total shareholder return and 50% vest based on continued service over time (as compared to 100% time-based awards in 2014).

* *Adopted stock ownership guidelines for non-employee directors and executives, including our Named Executive Officers*

In 2015, we adopted stock ownership guidelines for both our non-employee directors and our executives to strengthen the alignment between our leadership and our stockholders.

CEO Pay at a Glance

To ensure that the interests of the Named Executive Officers are aligned with stockholders, our Compensation Committee has designed our executive compensation program to include a substantial amount of pay that is at-risk. At-risk pay may be performance-based, equity-based, or both. The first chart below shows that 82% of our President and Chief Executive Officer s 2015 target compensation is comprised of at-risk pay, while his guaranteed base salary comprises only 18% of his target annual compensation. Similarly, the second chart below shows that, on average, 77% of our Named Executive Officers (excluding our President and Chief Executive Officer) 2015 target compensation is comprised of at-risk pay, while their average guaranteed base salary comprises only 23% of their average target annual compensation.

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Say-on-Pay and Say-on-Frequency

As of December 31, 2015, the Company no longer qualified as an emerging growth company (as such term is defined in the Jumpstart Our Business Startups Act, also known as the JOBS Act). As such, the Company is offering stockholders the opportunity to vote, on a non-binding advisory basis, to approve the Company s executive compensation programs as described in this Proxy Statement, colloquially known as Say-on-Pay, as well as the frequency of such Say-on-Pay votes, or Say-on-Frequency. We look forward to receiving feedback from our stockholders regarding the Company s executive pay practices as we value our stockholders evaluation of our executive compensation programs and policies. As discussed in more detail in Proposal THREE below, the Board has recommended that stockholders vote, on a non-binding advisory basis, to approve our executive compensation programs as described below, and to support annual Say-on-Pay votes in order to receive more frequent feedback regarding our executive compensation policies.

EXECUTIVE COMPENSATION PHILOSOPHY AND OBJECTIVES

Our executive compensation policies are designed to align management and stockholder interests and create value for investors while attracting and retaining talented executives with the skills and expertise to help us achieve our financial and operational goals. We have a strong interest in the retention of our current Named Executive Officers as their dedication and experience allows us to efficiently achieve our corporate objectives and create value for stockholders. We aim to provide effective retention mechanisms while preventing excessive payments or improper incentives. We strive to maintain competitive pay practices within our industry while ensuring that our stockholders receive maximum returns and security for their investment. We accomplish this through linking our executive compensation to several measures of the Company s short-term and long-term performance. A majority of our compensation program is structured based on pay that is at-risk.

Our Compensation Committee regularly reviews best compensation and governance practices to ensure that our executive compensation program is designed such that it is consistent with those practices while striving to

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achieve the compensation objectives described above. The following chart provides a brief summary of some of our compensation practices.

	What we do:		*What we don t do:*
ü	Pay for performance and pay for sustained performance over multi-year performance periods	×	No single-trigger change of control vesting
ü	Substantial portion of pay at risk	×	No gross-ups for severance or change of control payments
ü	Equity awards subject to extended vesting periods	×	No guaranteed bonuses
ü	Policy prohibiting hedging transactions	×	No payment of current dividends on unvested restricted stock units
ü	Policy prohibiting pledging transactions subject to limited exceptions with Audit Committee approval	×	No excessive perquisites
ü	Independent Compensation Consultant		
ü	Stock ownership guidelines for non-employee directors and executives		
ü	Annual compensation risk assessment		

HOW WE MAKE COMPENSATION DECISIONS

Role of the Compensation Committee

The Compensation Committee has the responsibility to review and approve the compensation policies, programs, and plans for the Company s officers and directors, including administering our 2014 Long Term Incentive Plan (LTIP). The Compensation Committee is also responsible for reviewing our Compensation Discussion and Analysis and producing the Compensation Committee Report with respect to our executive compensation disclosures. Finally, the Compensation Committee establishes our compensation objectives in order to maintain a competitive and effective compensation program. The Compensation Committee, in superintending the compensation of our directors and officers, employs several analytic tools and considers information from multiple resources. Subject in certain circumstances to Board approval, the Compensation Committee has the sole authority to make final decisions with respect to our executive compensation program, and the Compensation Committee is under no obligation to utilize the input of other parties. For more detailed information regarding the Compensation Committee, the current Compensation Committee Charter is posted on the Corporate Governance page of the investor relations section of the Company s website at *www.parsleyenergy.com*.

Role of Compensation Consultant in Compensation Decisions

The Compensation Committee has retained Meridian Compensation Partners, LLC (Meridian), as the committee s independent compensation consultant. Meridian provides advice to and works with the Compensation Committee in designing and implementing the structure and mechanics of the Company s executive compensation regime as well as other matters related to officer and director compensation. For example, Meridian worked with the Compensation Committee to design the new performance-based annual incentive program and long-term equity incentive program implemented in 2015. In addition, Meridian provides the Compensation Committee with external context such as relevant market and peer-company data, trends in executive compensation, and developments in executive compensation practices. This information assists the Compensation Committee in making executive and director compensation decisions based on market pay levels and best practices.

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The Compensation Committee made the decision to retain Meridian, and Meridian reports directly and exclusively to the Compensation Committee. Meridian does not have authority to make compensation-related decisions for the Compensation Committee or otherwise with respect to the Company, and the Compensation Committee is not required to utilize any of the information or advice provided by Meridian. In addition, other than its services performed for the Compensation Committee, Meridian does not provide additional services to management, the Company or its affiliates. The Compensation Committee has the discretion to allow Meridian to work with management in preparing or reviewing materials for the Compensation Committee s consideration. During 2015, and after taking into consideration the factors listed in Section 303A.05(c)(iv) of the NYSE Listed Company Manual, the Compensation Committee concluded that neither it nor the Company have any conflicts of interest with Meridian, and that Meridian is independent from management. Other than Meridian, no other compensation consultants provided services to the Compensation Committee during 2015.

Role of Executive Officers in Compensation Decisions

After reviewing the information and advice provided by Meridian, our corporate goals, historic and projected performance, the current economic environment, and any other relevant factors, the Compensation Committee determines the compensation for our President and Chief Executive Officer. In making compensation determinations with respect to the other Named Executive Officers, the Compensation Committee may consider recommendations from our President and Chief Executive Officer but retains sole discretion over final compensation determinations. Additionally, the Compensation Committee requests that the Named Executive Officers provide recommendations on the appropriate goals when establishing the qualitative and quantitative performance metrics for the short-term cash incentive program. The Compensation Committee may disregard any such suggestions or observations made by our executive officers. In addition, the Named Executive Officers may attend Compensation Committee meetings upon invitation to report on the Company s progress with respect to the annual quantitative and qualitative performance metrics, but are excluded from any discussions involving the officer s individual compensation.

Determining Compensation Levels

As discussed above, the Compensation Committee has the overall responsibility for establishing the elements, terms and target value of compensation delivered to our Named Executive Officers. The Compensation Committee strives to develop competitive, but not excessive, compensation programs for our employees and our Named Executive Officers in order to recruit and retain the best possible talent in our industry. An important element of the Compensation Committee s decision making is compensation data produced by our independent compensation consultant, including direct data from our peer group, other industry compensation surveys, and proprietary data developed by Meridian. Using this data, the Compensation Committee will evaluate each Named Executive Officer s individual performance, the Company s overall performance, and market data to reach compensation decisions for individual officers.