

**PARSLEY ENERGY, INC.**  
**CORPORATE CODE OF BUSINESS CONDUCT AND ETHICS**  
**(Adopted as of July 22, 2019)**

The Board of Directors (the “Board”) of Parsley Energy, Inc. (the “Company”) has adopted this Corporate Code of Business Conduct and Ethics (this “Code”), which provides basic principles and guidelines to assist directors, officers and other employees of Parsley and any of its subsidiaries and affiliates (collectively, “Parsley Energy”) in complying with the legal and ethical requirements governing Parsley Energy’s business conduct. This Code covers a wide range of business practices and procedures, however it cannot cover every issue that may arise. Because this Code cannot address every situation, you should seek guidance whenever you are unsure about the correct course of action. The Code provides guidance on ways to seek guidance and report concerns.

The Board reserves the right to add to, modify and rescind this Code or any portion of it at any time. This Code governs in the event of any conflict or inconsistency between this Code and any other materials distributed by Parsley Energy. If a law conflicts with a policy in this Code, you must comply with the law.

**I. Statement of Principles**

**A. General Standards**

It is a fundamental policy of the Company to conduct its business with honesty and integrity in accordance with the highest legal and ethical standards. Therefore, in carrying out his or her duties and responsibilities to the Company, each director, officer and other employee should:

- Act ethically with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, and promote honest and ethical behaviors by others in the work environment;
- Provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the Securities and Exchange Commission (“SEC”) and in other public communications made by the Company;
- Comply with applicable laws, rules and regulations of national, state, provincial and local governments and private and public regulatory agencies (including the New York Stock Exchange (“NYSE”)) having jurisdiction over the Company;
- Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing his or her independent judgment on behalf of the Company to be subordinated to other interests;
- Respect the confidentiality of information acquired in the course of his or her work, except when authorized or legally obligated to disclose such information. Such confidential information must not be used for the personal advantage of any director, officer or other employee of the Company or individuals or other parties related to such persons;

- Responsibly use and maintain all assets and resources employed by or entrusted to such person; and
- Accept accountability for adherence to this Code.

## **B. Individual Responsibility and Compliance**

This Code provides guidance for specific situations that may arise. However, each director, officer and other employee has the responsibility to exercise good judgment to act in a manner that will reflect favorably upon Parsley Energy and the individual.

Directors, officers and other employees must comply with the spirit as well as the letter of this Code. Directors, officers and other employees must not attempt to achieve indirectly, through the use of agents or other intermediaries, what is prohibited directly by this Code.

## **II. Implementation**

### **A. Condition of Employment**

Each employee must become familiar with and agree to comply with this Code as a condition of such employee's employment. All officers and other employees, regardless of level, will be provided with a copy of this Code at or around the time their employment commences with Parsley Energy; provided, however, that individuals already employed by Parsley Energy at the time of the adoption of this Code will be provided with a copy of this Code shortly after its adoption. All managers are responsible for promoting compliance with this Code and establishing a culture of legal and ethical behavior within their stewardship.

### **B. Condition of Director Appointment/Election**

Each director must become familiar with and agree to comply with this Code. All directors will be provided with a copy of this Code at or around the time of their appointment or election to serve on the Board.

### **C. Compliance Certificate**

Each new employee will be required to execute an Acknowledgement of Receipt of Employee Handbook and Corporate Code of Business Conduct and Ethics upon employment, a form of which is attached to this Code as **Annex C**.

Each new officer and newly elected director will be required to execute the certification attached to this Code as **Annex A** (the "Compliance Certificate") upon election or appointment to serve and as requested thereafter.

You should read this Code carefully and ask the Company's General Counsel any questions you may have. Employees shall promptly sign the Acknowledgement of Receipt of Employee Handbook and Corporate Code of Business Conduct and Ethics and return the signed form to the Company's Human Resources Department. Officers and directors shall promptly sign and return the Compliance Certificate to the Company's General Counsel at following address:

Parsley Energy, Inc.  
303 Colorado Street, Suite 3000  
Austin, Texas 78701  
Attention: General Counsel

**D. Association with Unaffiliated Enterprises**

Directors, officers and other employees of the Company that are associated with enterprises not controlled by Parsley Energy (including vendors, suppliers, contractors, lawyers and accountants) must be guided in their conduct by this Code's provisions. Such persons must attempt to influence those enterprises to conduct their activities in conformity with all applicable laws and this Code and must report violations of this Code to the Company's General Counsel.

**E. Interpretation Questions**

Directors, officers or other employees who have questions on how to proceed or interpret this Code should consult their supervisor, the Company's General Counsel or any other person(s) designated by the Board to supervise the application of this Code. In addition, please see **Annex B** for a listing of compliance procedures.

**F. Violation of Policy**

Each director, officer and other employee is accountable for his or her compliance with this Code. Violations of this Code may result in disciplinary action against the violator, including termination of employment where the Company determines such action is warranted.

**III. Conflicts of Interest**

**A. General**

Directors, officers, and other employees must conduct themselves in a manner which promotes the best interests of Parsley Energy and must avoid actual and potential conflicts of interest or any circumstance that could raise even the appearance of impropriety.

A conflict of interest occurs when an individual's private interest interferes in any way with the interests of Parsley Energy. This situation can arise when a director, officer or other employee takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest also arise when a director, officer or other employee, or a member of such person's family or household, receives improper personal benefits as a result of the director's, officer's or other employee's position with Parsley Energy. A conflict of interest is deemed to exist whenever, as a result of the nature or responsibilities of his or her relationship with Parsley Energy, a director, officer or other employee is in a position to further any personal financial interest or the financial interest of any member of such person's family.

No director, officer or other employee, regardless of level, shall engage in any business or conduct or enter into any agreement or arrangement that would give rise to actual or potential conflicts of interest. Directors, officers and other employees should not permit themselves to be placed in a position that might give rise to the appearance that a conflict of interest has arisen. Notwithstanding the foregoing and for the avoidance of doubt, each non-executive director of the

Company (an “Independent Director”) may provide, in the ordinary course of his or her occupation, professional services that are of a technical, engineering, corporate communications, legal or accounting nature to any customer, supplier, vendor, contractor or competitor of Parsley Energy in compliance with applicable laws and professional obligations; provided, however, that (a) if any such service gives rise to a potential or actual conflict of interest, such Independent Director shall make full disclosure of all facts and circumstances related to such service and obtain the prior written approval of the Audit Committee of the Board before engaging in such service or continuing to engage in such service; (b) such Independent Director shall not engage in any service that would be directly adverse to the interests of Parsley Energy; and (c) such Independent Director shall not disclose or use any of Parsley Energy’s confidential or proprietary information during the provision of such services.

While it is not possible to describe all circumstances where a conflict of interest involving a director, officer or employee exists or may exist, the following situations may involve actual or potential conflicts of interest, and should be reported, in advance, to the appropriate internal personnel for analysis:

- Having an interest in, accepting employment with, becoming involved with, or otherwise working for, any customer, supplier, vendor, contractor or competitor of Parsley Energy, including serving as a director of any customer, supplier, vendor, contractor or competitor of Parsley Energy (except for an investment in publicly traded securities or as otherwise described herein).
- Competing against Parsley Energy in any manner or taking a corporate opportunity from Parsley Energy (as described below in Section V.C).
- Solicitation of any customer, supplier, vendor, contractor or competitor of Parsley Energy for services similar to or competitive with those provided or offered by Parsley Energy.
- The acceptance of gifts or favors of more than nominal value by a director, officer or other employee (or a member of such person’s immediate family) from an actual or prospective customer, supplier, vendor, contractor or competitor of Parsley Energy or any governmental official or other employee. This does not preclude the acceptance by a director, officer or employee of reasonable business entertainment (such as a lunch or dinner or events involving normal business activities).
- Acceptance of personal fees or commissions in connection with Parsley Energy transactions or conducting transactions on behalf of Parsley Energy with any third party in a manner which results in personal benefit or gain to the director, officer, or other employee.
- The disclosure or use of confidential information gained by reason of employment with Parsley Energy (or, in the case of a director, election or appointment to the Board) for profit or advantage by a director, officer or other employee or anyone else.
- Competition with Parsley Energy in the acquisition or disposition of rights or property.

The following situations should not be considered conflicts of interest:

- Ownership of an amount of the publicly traded securities of a customer, supplier, vendor, contractor or competitor of Parsley Energy that does not confer upon the holder any ability to influence or direct the policies or management of the customer, supplier, vendor, contractor or competitor.
- A transaction with any bank or other lender of Parsley Energy, where the transaction is customary and conducted on standard commercially available terms (such as a home mortgage or bank loan).
- A transaction or relationship disclosed in accordance with this Code and determined by outside legal counsel not to be a prohibited conflict of interest.
- Passive personal investment and charitable activities that do not compete with the business and affairs of Parsley Energy or interfere with the director, officer, or other employee's performance of his or her duties with respect to Parsley Energy.
- Engaging in work outside an employee's regular work at Parsley Energy, provided this work does not detract from the employee's job performance, is not harmful to the best interest of Parsley Energy, does not present a conflict of interest with the employee's employment at Parsley Energy, and is not in violation of any other policy of Parsley Energy. Excepting Independent Directors, any "outside" employment or service on a board of directors must be considered secondary to an employee's employment with Parsley Energy or service on the Board. Prior to undertaking any outside work activities, employees must discuss such activities with their immediate supervisors in order to ensure that a conflict of interest will not arise.

These examples are given only to guide directors, officers and other employees in making judgments about conflicts of interest. If any director, officer or employee finds himself or herself in a situation where a conflict of interest exists or may exist, he or she should immediately report the matter as provided below in Section III.B.

#### **B. Reporting Conflicts of Interest Involving Non-Executive Officer Employees**

Actual or potential conflicts of interest involving a non-executive officer employee, or a member of such person's immediate family, must be reported in writing by the affected person (or by others having knowledge of the existence of the actual or potential conflicts of interest) to the employee's immediate supervisor, who shall consult with the Company's General Counsel to determine whether a conflict of interest actually exists and to recommend measures to be taken to neutralize the adverse effect of the conflict of interest reported, if such measures are available or appropriate under the circumstances. This procedure will be applied so as to minimize its effect on the personal affairs of employees consistent with the protection of Parsley Energy's interests. The Company's General Counsel may, in his or her discretion, refer the matter to the Board for its approval or rejection.

#### **C. Reporting Conflicts of Interest Involving Directors or Executive Officers**

An actual or potential conflict of interest involving a director or executive officer, or a member of such person's immediate family, must be reported by the affected person (or by others having knowledge of the existence of the actual or potential conflict of interest) to the Company's General Counsel, or to the Company's President if the matter involves the Company's General Counsel, who shall disclose any credible potential or actual conflict of interest to the Board. The Board will make a final determination regarding whether such potential or actual conflict of interest indeed constitutes a conflict of interest. If the proposed transaction or arrangement is determined by the Board to constitute a conflict of interest, then the Board will determine whether it will approve, ratify or reject such proposed transaction or arrangement.

#### **IV. Record Keeping**

##### **A. Parsley Energy Books and Records**

1. Books and Records. Parsley Energy requires honest and accurate recording and reporting of information in order to make responsible business decisions. As such, Parsley Energy's books, records and accounts must accurately and fairly reflect Parsley Energy's transactions in reasonable detail and in accordance with Parsley Energy's accounting practices and policies. The following examples are given for purposes of illustration and are not intended to limit the generality of the foregoing in any way:
  - No false or deliberately inaccurate entries (such as overbilling or advance billing) are permitted. Discounts, rebates, credits and allowances do not constitute overbilling when lawfully granted. The reasons for the grant should generally be set forth in Parsley Energy's records, including the party requesting the treatment.
  - No payment shall be made with the intention or understanding that all or any part of it is to be used for any person other than that described by the documents supporting the payment.
  - No undisclosed, unrecorded or "off-book" funds or assets are permitted.
  - No false or misleading statements, written or oral, shall be intentionally made to any internal accountant or auditor or Parsley Energy's independent registered public accounting firm with respect to Parsley Energy's financial statements or documents to be filed with the SEC or other governmental authority.
2. Internal Accounting Controls. The principal executive officer and principal financial officer of the Company and each of its subsidiaries and affiliates are responsible for implementing and maintaining a system of internal accounting controls sufficient to provide reasonable assurances that:
  - Transactions are executed in accordance with management's general or specific authorization;

- Transactions are recorded as necessary to: (a) permit the preparation of financial statements in conformity with generally accepted accounting principles or any other applicable criteria and (b) maintain accountability for assets;
  - Access to confidential or sensitive records regarding the Company's assets is permitted only in accordance with management's general or specific authorization; and
  - The recorded accountability of assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
3. Employee Conduct. No director, officer or other employee of Parsley Energy is permitted to willfully, directly or indirectly:
- Falsify, or cause to be falsified, any book, record or account of Parsley Energy;
  - Make, or cause to be made, any materially false or misleading statement or omit to state, or cause another person to omit to state, any material fact necessary in order to make statements made, in light of the circumstances under which the statements were made, not misleading to an accountant in connection with (a) any audit or examination of Parsley Energy's financial statements or (b) the preparation or filing of any document or report required to be filed by Parsley Energy with the SEC or other governmental agency; or
  - Take any action to fraudulently influence, coerce, manipulate or mislead Parsley Energy's independent registered public accounting firm.

Directors, officers and other employees must exercise reasonable due diligence in order to avoid the events described above. If an employee believes that Parsley Energy's books and records are not being maintained in accordance with these requirements, the employee should report the matter directly to his or her supervisor, a member of the Company's Human Resources Department, or the Company's General Counsel, as appropriate.

**B. Payments of Amounts Due to Vendors, Suppliers, Contractors or Other Third Party Service Providers**

1. Payments for Third Party Services. All agreements, contracts or other arrangements with vendors, suppliers, contractors and other third party service providers (each, a "Service Provider") should be in writing and provide for the services to be performed for a fee that is reasonable in amount and reasonably related to the services to be rendered.
2. Manner of Payment. All payments for third party services should be made by Parsley Energy, in a manner determined by the Company's officers (but

excluding cashier's check or currency), in the name of the applicable Service Provider and should be (a) personally delivered to the Service Provider in the country in which the business was transacted or (b) sent to the Service Provider's business address or designated bank in the country in which the business was transacted.

3. Payments Outside the United States. When a Service Provider represents in writing or presents a written opinion from a reputable local counsel that a payment outside the country in which the business was transacted does not violate any law of that country or the United States, that payment may be permitted upon approval from the Company's General Counsel.
4. Credit Memoranda. Credit memoranda are the preferred method of effecting a rebate and generally should be issued to the Service Provider unless the check, draft or other form of payment of the Company or subsidiary or affiliate providing such credit (but excluding cashier's check or currency) is necessary due to the nature of the transaction. Any such check, draft or other form of payment should refer to the sales invoices involved and indicate the amount of discount or rebate and number of units.
5. Accounting Records. All payments or discounts, credits, offsets, rebates and commissions shall be disclosed in Parsley Energy's accounting records. Proper documentation of contracts and agreements shall be maintained.

### **C. Payments to Government Personnel**

Parsley Energy and its directors, officers and other employees must comply with the United States Foreign Corrupt Practices Act, which makes it illegal for any Company personnel to directly or indirectly offer or promise to or provide cash or anything of value to any foreign official, foreign political party or party official, or candidate for foreign political office in order to assist the Company in winning or retaining business or in directing business to anyone else. The term "foreign official" means any officer or employee of a non-U.S. government or any department, agency or instrumentality thereof, or a public international organization, or any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality. "Foreign official" is defined broadly to include any officer or employee of any level of federal, state, provincial, county, or municipal government outside of the United States. It also includes all levels of employees and officials of any enterprise owned, controlled, or operated by a government other than the United States. The term "anything of value" has been broadly construed by U.S. authorities to include even relatively small or insignificant items whether or not they have any apparent monetary value. You should not provide even modest business gifts, entertainment or transportation to a foreign official without clearing such with the Company's General Counsel in advance. In the United States, nothing of value (for example, gifts or entertainment) may be provided to government personnel unless permitted by law and any applicable regulation. For additional information, please contact the Company's General Counsel.

### **V. Use of Company Property and Resources**

#### **A. Protection and Proper Use of Company Assets**

The use of any Parsley Energy funds or assets for any unlawful or improper purpose is prohibited. All directors, officers, and other employees should endeavor to protect Parsley Energy's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on Parsley Energy's profitability. Any suspected incident of fraud or theft should be reported immediately for investigation. Parsley Energy equipment should not be used for non-business related purposes, except (i) as permitted in accordance with the policies and procedures of Parsley Energy or as otherwise provided in any employment agreement or (ii) though incidental personal use may be permitted (such as occasional use of Parsley Energy's supplies, copying facilities or telephone when the cost to Parsley Energy is insignificant).

The obligation of directors, officers, and other employees to protect Parsley Energy's assets includes an obligation to protect Parsley Energy's confidential and proprietary information, which is addressed in Section VI.C.

## **B. Questionable or Improper Payments and Gifts**

1. Payments or Gifts Made. No payments or gifts from Parsley Energy's funds or assets shall be made to or for the benefit of a representative of any labor union or any current or prospective customer, supplier, vendor, or contractor for the purpose of improperly obtaining a desired government action or any sale, purchase, contract or other commercial benefit. This prohibition applies to direct or indirect payments made through third parties and directors, officers, or employees and is also intended to prevent bribes, kickbacks or any other form of payoff.

Subject to Section IV.C above, commercial business entertainment and transportation that is reasonable in nature, frequency and cost is permitted. Reasonable business entertainment or transportation includes, without limitation, a lunch, dinner or occasional athletic or cultural event; gifts of nominal value (approximately \$100 or less); entertainment at Parsley Energy's facilities or other authorized facilities; or authorized and reasonable transportation in Parsley Energy's vehicles. In addition, reasonable business entertainment covers traditional promotional events sponsored by Parsley Energy. When doing business with governments or government officials (including representatives of government-owned or run organizations) consult with the Company's General Counsel, as special rules and laws may apply.

2. Payments or Gifts Received. Directors, officers and other employees of Parsley Energy shall not accept payments or gifts of the kinds described in this Section V.
3. Proper Documentation. All arrangements with third parties should be evidenced or memorialized in a written contract, order or other document that describes the goods or services that are in fact to be performed or provided and should be for reasonable fees or costs.
4. Extension of Credit by Parsley Energy. No director, officer or other employee may seek or accept from Parsley Energy credit, an extension of

credit or the arrangement of an extension of credit in the form of a personal loan. Any personal loan existing at the time of adoption of this Code shall not be materially modified, extended or renewed.

### **C. Corporate Opportunities**

Without the written consent of the Board, directors, officers and other employees are prohibited from taking for themselves an opportunity that is (1) a potential transaction or matter that may be an investment or business opportunity or prospective economic or competitive advantage in which Parsley Energy could reasonably have an interest or expectancy or (2) discovered through the use of corporate property, information or position. In addition, directors, officers and other employees are prohibited from using corporate property, information or position for personal gain and competing with Parsley Energy directly or indirectly. Directors, officers and other employees of Parsley Energy owe a primary duty to Parsley Energy to advance its legitimate interests when the opportunity to do so arises.

## **VI. Business and Trade Practices**

### **A. Compliance with Laws, Rules and Regulations**

1. Compliance with Laws. Obeying the law, which includes applicable rules and regulations, both in letter and in spirit, is the foundation upon which Parsley Energy's ethical standards are built. All directors, officers and other employees must respect and obey the laws of the cities, states and countries in which Parsley Energy operates. Although directors, officers and other employees are not expected to know every law that is applicable to Parsley Energy, it is important that directors, officers and other employees know enough to ask questions and seek advice from supervisors, managers, lawyers or other appropriate personnel if they have any doubt regarding the legality of an action taken, or not taken, on behalf of Parsley Energy.
2. Insider Trading. Purchasing or selling, whether directly or indirectly, the Company's securities while in possession of material non-public information is both unethical and illegal. Directors, officers and other employees are also prohibited by law from disclosing material non-public information to others who might use the information to, directly or indirectly, place trades in the Company's securities. Directors, officers and other employees shall also not recommend the purchase or sale of the Company's securities. All directors, officers and other employees shall comply with the Company's Insider Trading Policy.
3. Section 16 Reporting. Pursuant to Section 16 of the Securities Exchange Act of 1934, as amended, most purchases or sales of the Company's securities by directors, executive officers and 10% stockholders must be disclosed within two business days of the transaction. Directors, officers and other employees who are subject to these reporting requirements must comply with the Company's Short-Swing Trading and Reporting Policy.

4. Antitrust Compliance. Antitrust laws preserve a fair and competitive marketplace by prohibiting various types of anticompetitive behavior. Antitrust offenses often occur between competitors, such as in agreements to fix prices or to divide territories or markets. Agreements that may violate antitrust laws do not have to be written. Accordingly, it is important to avoid discussions with the Company's competitors regarding pricing, terms and conditions, costs, marketing plans and any other proprietary or confidential information.

## **B. Fair Dealing**

Directors, officers and other employees should endeavor to deal fairly with Parsley Energy's customers, vendors, suppliers, contractors, competitors and employees. No director, officer or other employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other practice involving unfair dealing.

## **C. Non-disclosure of Confidential Information**

The protection of confidential information of Parsley Energy and confidential information of its customers, vendors, service providers, and other third parties who have provided such information to Parsley Energy with an expectation of confidentiality, is vital to the best interests of Parsley Energy. Directors, officers, and other employees of Parsley Energy may be provided with confidential information or may have access to confidential information. Such confidential information includes, but is not limited to:

- technical information of Parsley Energy or third parties, such as geophysical and geological data, engineering data and compilations, well logs, well production records, well files, seismic and other geophysical data and interpretation, engineering data and analysis, maps, samples, cores, cuttings, computer programs, software, databases, methods, know-how, formulae, compositions, technological data, technological prototypes, processes, discoveries, machines, inventions, and similar items;
- business information of Parsley Energy or third parties, such as but not limited to strategic goals and plans, pricing information, compensation data, financial information, credit information, and similar items; and
- information relating to future plans of Parsley Energy or third parties, such as but not limited to marketing strategies, new materials research, pending projects and proposals, proprietary production processes, research and development strategies, and similar items.

The above types of information, together with other trade secrets and valuable, confidential information of Parsley Energy or customers, vendors, service providers, or other third parties who have provided such information to Parsley Energy with an expectation of confidentiality is referred to as "Confidential Information." Confidential Information may only be used by a director, officer, or other employee in the scope of his or her engagement or employment by Parsley Energy and in the furtherance of the business interests of Parsley Energy. *At no time, either during or following the employment or service relationship, may a director, officer, or*

*employee use or disclose Confidential Information for the benefit of any party other than Parsley Energy. At no time, either during or following such individual's employment or engagement by Parsley Energy, may a director, officer, or employee disclose Confidential Information unless such disclosure is necessary in the scope of the individual's employment or engagement by Parsley Energy.*

Directors, officers, and employees who improperly use or disclose Confidential Information will be subject to disciplinary action, up to and including dismissal. In appropriate circumstances, legal action may be taken against a director, officer, employee or former director, officer, or employee who violates this policy even if the individual did not actually benefit from the disclosed information. In addition, if a director, officer, or employee or former director, officer, or employee violates this Non-disclosure of Confidential Information policy, Parsley Energy may pursue legal or equitable relief in order to stop such violation and recover damages resulting from such violation. Such remedies will be in addition to all other remedies available to Parsley Energy, at both law and equity.

Confidential Information may not be identified as confidential or proprietary. Directors, officers, and other employees may have access to information on computer networks or databases that constitutes Confidential Information subject to the terms of this policy. Directors, officers, and other employees should remember that all information stored, compiled, or collected on Parsley Energy's computers, computer disks, mobile phones, databases, disk drives, networks or otherwise is the property of Parsley Energy and Parsley Energy may use, inspect, destroy, delete, publish or otherwise dispose of such information as Parsley Energy determines to be in Parsley Energy's best interest.

Parsley Energy reserves the right to take all steps necessary to investigate possible improper disclosure or use of Confidential Information.

For the avoidance of doubt, nothing in this Code is to be interpreted or applied in any way that prohibits, restricts or interferes with an employee's (a) exercise of rights provided under, or participation in, "whistleblower" programs of the SEC or any other applicable regulatory agency or governmental entity (each, a "Government Body"), or (b) good faith reporting of possible violations of applicable law to any Government Body, including cooperating with a Government Body in any governmental investigation regarding possible violations of applicable law.

#### **D. Retention of Documents and Records**

It is Parsley Energy's policy to cooperate with all governmental investigative authorities. Each director, officer and other employee shall retain any record, document or tangible object of Parsley Energy that is known to be the subject of an investigation or litigation.

It is a violation of this Code for any director, officer or other employee to knowingly alter, destroy, mutilate, conceal, cover up, falsify or make a false entry in any record, document or tangible object with the intent to impede, obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any state, federal department or agency or any bankruptcy, or in relation to or contemplation of any such matter or case.

### **VII. Preparation and Certification of 1934 Act Reports**

## **A. Internal Control Report**

The Company's Annual Report on Form 10-K shall contain an internal control report that: (1) states the responsibility of management for establishing and maintaining an adequate internal control structure and procedures for financial reporting; (2) contains an assessment, as of the end of the Company's most recent fiscal year, of the effectiveness of the Company's internal control structure and procedures for financial reporting; (3) includes a statement that the Company's independent registered public accounting firm has issued a report on the Company's internal controls and procedures for financial reporting; (4) includes the report of the Company's independent registered public accounting firm; and (5) otherwise complies with Section 404 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder by the SEC.

## **B. Disclosure Controls**

It is the Company's policy to promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the SEC and in other public communications made by the Company. To that end, the Company maintains a Disclosure Committee comprised of certain employees of the Company selected from time to time by the Company's principal executive officer and principal financial officer. The Disclosure Committee oversees the Company's disclosure controls and procedures and is responsible for taking actions that are necessary and appropriate to fulfill the Company's disclosure requirements. The Disclosure Committee reports to senior management, including the Company's principal executive officer and principal financial officer. The Disclosure Committee will consider the materiality of information and determine disclosure obligations on a timely basis.

## **C. Certifications**

The Company's principal executive officer and principal financial officer shall make the certifications required by Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002, the text of which are set forth in Item 601(b)(31) and (32) of Regulation S-K promulgated by the SEC.

## **VIII. Reporting Violations**

Parsley Energy encourages and promotes ethical behavior.

Directors, officers and other employees should report violations of applicable laws, rules and regulations (including, without limitation, the listing requirements of the NYSE), this Code or any other code, policy or procedure of Parsley Energy to the individual's supervisor, a member of the Company's Human Resources Department, the Company's General Counsel, or the Chairman of the Audit Committee, as appropriate. Employees are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation. In addition, directors, officers and other employees may forward complaints on a confidential or anonymous basis through any hotline, e-mail or regular mail made available for such purpose. The Company maintains a "Policy for Employee Complaint Procedures for Accounting and Compliance Matters" which includes a whistleblower hotline phone number, website, email address and fax number. To encourage employees to report violations of the law or of this Code, the Company will not allow retaliation for reports of misconduct made in good faith by employees and any employee who engages in such retaliation or attempted retaliation may be disciplined. Any person who believes he or she has been retaliated against should immediately

contact the Company's General Counsel or, with respect to any matter involving the General Counsel, the Company's President.

Directors, officers and other employees are expected to cooperate in internal investigations of misconduct.

#### **IX. Waivers of this Code**

Any waiver of a provision of this Code may be made only by the Board or a committee thereof and will be promptly disclosed if and as required by law, including the rules and regulations of the SEC, and the listing requirements of the NYSE. Persons seeking a waiver of this Code should be prepared to disclose all pertinent facts and circumstances, respond to inquiries for additional information, explain why the waiver is necessary, appropriate or in the best interest of the Company, and be willing to comply with any procedures that may be required to protect the Company in connection with a waiver.

#### **X. Amendments to this Code**

Any amendment to this Code shall be made only by the Board or the Audit Committee. If an amendment to this Code is made, appropriate disclosure will be made in accordance with legal requirements, including the rules and regulations of the SEC, and the listing requirements of the NYSE.

#### **XI. Posting Requirement**

The Company shall post this Code on its website as required by applicable rules and regulations. In addition, the Company shall disclose in its proxy statement for its annual meeting of stockholders or, if the Company does not file a proxy statement, in its Annual Report on Form 10-K, that a copy of this Code is available on the Company's website, which address the Company shall provide.

\* \* \*

This document states a policy of Parsley Energy, Inc. and is not intended to be regarded as the rendering of legal advice. It is the intent of the Company that the portions of this Code that are responsive to Item 406 of Regulation S-K promulgated by the SEC be its written code of ethics under the Sarbanes-Oxley Act of 2002, complying with the standards set forth in Item 406 of Regulation S-K promulgated by the SEC and for the purposes of Item 5.05 of Form 8-K.

**ANNEX A TO CORPORATE CODE OF BUSINESS CONDUCT AND ETHICS**

**CORPORATE CODE OF BUSINESS CONDUCT AND ETHICS  
CERTIFICATION**

I have read and understand the Corporate Code of Business Conduct and Ethics (the “Code”) of Parsley Energy, Inc. (the “Company”). I agree that I will comply with the policies and procedures set forth in the Code. I understand and agree that, if I am an employee of the Company or one of its subsidiaries or other affiliates, my failure to comply in all respects with the Company’s policies, including the Code, is a basis for termination for cause of my employment with the Company and any subsidiary or other affiliate to which my employment now relates or may in the future relate (collectively, “Parsley Energy”).

In addition, I agree to promptly submit a written report to the Company’s General Counsel or the Chairman of the Audit Committee, as appropriate, describing any circumstances in which:

1. I have reasonable basis for belief that a violation of the Code by any person has occurred;
2. I have, or any member of my family has or may have engaged in any activity that violates the letter or the spirit of the Code;
3. I have, or any member of my family has or may have an interest that violates the letter or the spirit of the Code; and
4. I or any member of my family may be contemplating an activity or acquisition that could be in violation of the Code.

I am unaware of any violations or suspected violations of the Code by any director, officer or other employee of Parsley Energy except as described below or on the attached sheet of paper. (If no exceptions are noted, please check the space provided directly below.)

\_\_\_\_\_ No exceptions

To the best of my knowledge and belief, neither I nor any member of my family has any interest or affiliation or has engaged in any activity that might conflict with Parsley Energy’s interest, except as described below or on the attached sheet of paper. (If no exceptions are noted, please check the space provided directly below.)

\_\_\_\_\_ No exceptions

I am aware that this signed Certification will be filed with my personal records in Parsley Energy’s Human Resources Department.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Type or Print Name

Date: \_\_\_\_\_

## ANNEX B TO CORPORATE CODE OF BUSINESS CONDUCT AND ETHICS

### CORPORATE CODE OF BUSINESS CONDUCT AND ETHICS COMPLIANCE PROCEDURES

Directors, officers and other employees must work together to ensure prompt and consistent action against violations of the Code. However, a director, officer or other employee may encounter a situation in which it is difficult to determine how to proceed while also complying with the Code. Since not every situation that will arise can be anticipated, it is important to have a way to approach a new question or problem. When considering these situations, a director, officer or other employee should:

1. **Try to have all the facts.** In order to reach the right solutions, all relevant information must be known, however, you should avoid doing your own investigation.
2. **Consider what he or she specifically is being asked to do and whether it seems unethical or improper.** This will enable the individual to focus on the specific question and the alternatives he or she has. If something seems unethical or improper, it probably is.
3. **Understand his or her individual responsibility and role.** In most situations, there is shared responsibility. Are others informed and/or involved?
4. **Discuss the problem with a supervisor.** In many cases, supervisors will be more knowledgeable about the question and will appreciate being brought into the decision-making process. Employees should remember that it is the responsibility of supervisors to help solve problems and ensure that Parsley Energy complies with this Code.
5. **Seek help from Parsley Energy resources.** In the rare case where it may not be appropriate to discuss an issue with a supervisor or where a supervisor is not available to answer a question, employees should discuss it with a member of the Company's Human Resources Department. If that is not appropriate or if a satisfactory resolution is not obtained, call or send concerns to the Company's General Counsel.
6. **Report ethical violations in confidence and without fear of retaliation.** If the situation so requires, anonymity will be protected to the extent possible. Parsley Energy does not permit retaliation of any kind for good faith reports of ethical violations.
7. **Always ask first, act later.** When unsure of what to do in any situation, the individual should seek guidance and ask questions before the action in question is taken.

**ANNEX C TO CORPORATE CODE OF BUSINESS CONDUCT AND ETHICS**

**FORM OF  
ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE HANDBOOK AND  
CORPORATE CODE OF BUSINESS CONDUCT AND ETHICS**

The Employee Handbook and Corporate Code of Business Conduct and Ethics (the “Handbook”) contains important information about Parsley Energy Operations, LLC (the “Company”), and I understand that I should consult with the Company’s Human Resources Department regarding any questions not answered in the Handbook. I have entered into my employment relationship with the Company voluntarily, and understand that there is no specified length of employment. Accordingly, either the Company or I can terminate the relationship at will, at any time, with or without cause, and with or without advance notice.

I understand and agree that only the Company’s Chief Executive Officer, President, General Counsel, or an individual duly authorized by the Chief Executive Officer or President, may enter into, on behalf of the Company, an employment agreement with any employee of the Company for any specified period of time, or make any agreement contrary to the Company’s stated employment-at-will policy.

The information, policies, and benefits described in the Handbook are subject to change at any time, and I acknowledge that revisions to the Handbook may occur (except to the Company’s policy of employment-at-will). All such changes will generally be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. Only the Company’s Chief Executive Officer, President or Board of Directors of Parsley Energy, Inc., with the assistance and input of the Company’s General Counsel, other members of the Legal Department and any other employees the General Counsel may designate, has the ability to adopt any revisions to the policies in this Handbook.

Furthermore, I understand that this Handbook is neither a contract of employment nor a legally-binding agreement. I have had an opportunity to read the Handbook and understand that it is my responsibility to comply with the policies contained in the Handbook, and any revisions made to it. I further agree that if I remain with the Company following any modifications to the Handbook, I thereby accept and agree to such changes.

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Type or Print Name of Employee

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Company Representative

\_\_\_\_\_  
Type or Print Name of Company Representative

Date: \_\_\_\_\_