

PARSLEY ENERGY, INC.
CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
(As amended August 4, 2020)

I. Introduction

The Board of Directors (the “Board”) of Parsley Energy, Inc. (the “Company”) has established the Audit Committee of the Board (the “Committee”) with the authority, responsibilities and specific duties described in this Charter of the Committee, as amended from time to time (this “Charter”).

II. Purposes

The purposes of the Committee are to:

- A. Assist the Board in overseeing the accounting and financial reporting processes of the Company and audits of the Company’s financial statements;
- B. Assist the Board in fulfilling its oversight responsibilities regarding the:
 - Integrity of the Company’s financial statements;
 - Company’s compliance with legal and regulatory requirements;
 - Qualifications, independence and performance of the independent registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (the “independent auditor”); and
 - Effectiveness and performance of the Company’s internal audit function.
- C. Annually, prepare an Audit Committee Report and publish the report in the Company’s proxy statement for its annual meeting of stockholders, in accordance with applicable rules and regulations; and
- D. Perform such other functions as the Board may assign to the Committee from time to time.

III. Membership

The Committee must consist of not less than three members of the Board. Each member of the Committee must be “independent” as defined by the rules of the Securities and Exchange Commission (the “SEC”) and the listing requirements of the New York Stock Exchange (the “NYSE”). Each member of the Committee must meet the experience requirements of the NYSE, and at least one member of the Committee must be an “audit committee financial expert” (as defined by applicable rules of the SEC). Committee members may not simultaneously serve on the audit committees of more than two other public companies unless the Board determines that

such simultaneous service would not impair the ability of that Committee member to serve effectively on the Committee. Notwithstanding the foregoing membership requirements and subject to applicable law, no action of the Committee will be invalid by reason of any such requirement not being satisfied at the time such action is taken.

The members of the Committee and its Chairman will be selected annually by the Board, based on the recommendation of the Nominating, Environmental, Social and Governance Committee of the Board, and will serve at the pleasure of the Board. Any vacancy on the Committee will be filled by, and any member of the Committee may be removed by, an affirmative vote of a majority of the Board. If a Chairman is not designated by the Board or present at a meeting, the Committee may designate a temporary Chairman by majority vote of the Committee members then in attendance. The Chairman of the Committee shall be responsible for leadership of the Committee, including presiding over the meetings of the Committee and reporting to the Board.

IV. Authority and Responsibilities

The Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the Committee. Without limiting the generality of the preceding statement, the Committee has the authority, and is entrusted with the responsibilities, described below:

A. Authority

The Committee has the authority to:

1. Review, or authorize or conduct investigations into, any matter, including, but not limited to, complaints relating to accounting, internal accounting controls or auditing matters, within the scope of the responsibilities delegated to the Committee as it deems appropriate, including the authority to request any officer, employee or advisor of the Company or its affiliates to meet with the Committee or any advisors engaged by the Committee.
2. Utilize any Company resources (including books, records, facilities and personnel) that are necessary or appropriate to fulfill the Committee's responsibilities under this Charter.
3. Retain and determine funding for independent legal counsel, accounting experts, advisors (including the sole authority to appoint or replace the independent auditor (subject, if applicable, to stockholder ratification)), and other resources, as it deems necessary or appropriate to fulfill the Committee's responsibilities under this Charter. The Committee may also utilize the services of the Company's regular outside legal counsel or other advisors to the Company. The Company must provide for appropriate funding, as determined by the Committee, for payment of (a) compensation to any independent auditor engaged for the purpose of rendering or issuing an audit report or performing other audit, review or attest services for the Company; (b) compensation to any advisors employed by the Committee; and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

4. Delegate to its Chairman, any 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. However, subcommittees do not have the authority to engage independent legal counsel, accounting experts or other advisors unless expressly granted such authority by the Committee. Each subcommittee will keep minutes and regularly report to the Committee.

B. *Responsibilities*

The Committee has the following responsibilities:

Interaction with the Independent Auditor

1. *Appointment and Oversight.* The Committee is directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor hired for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. The Committee and the independent registered accounting firm will discuss the firm's responsibilities and the responsibilities of management in the audit process. The independent auditor will report directly to the Committee and the Committee will routinely review such firm's performance. In addition, the Committee will oversee the resolution of any disagreements between the Company's management and the independent auditor regarding financial reporting.
2. *Pre-Approval of Services.* Before the independent auditor is engaged by the Company or its subsidiaries to render audit or non-audit services, the Committee must pre-approve the engagement. The Committee may establish pre-approval policies and procedures for the approval of audit and permitted non-audit services, and pre-approval of audit and non-audit services will not be required if the engagement for the services is entered into pursuant to such pre-approval policies and procedures. The Chairman of the Committee has the authority to grant pre-approvals, provided such approvals are permitted by the pre-approval policy and presented to the Committee at a subsequent meeting.
3. *Independence of Registered Public Accounting Firm.* The Committee will, at least annually, review the independence and quality control procedures of the independent auditor and the experience and qualifications of the independent auditor's senior personnel that are providing audit services to the Company. In conducting its review, the Committee will:
 - a) Obtain and review a report prepared by the independent auditor describing (i) the firm's internal quality-control procedures and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or

investigation by governmental or professional authorities, within the preceding five years, involving one or more independent audits carried out by the firm, and any steps taken to address and respond to any such issues.

- b) Discuss with representatives of the independent auditor its independence from the Company, and obtain and review a written statement prepared by the independent auditor describing all relationships between the independent auditor and the Company, including any relationships between the independent auditor and members of the Company's management, consistent with applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Committee concerning independence, and consider the impact that any relationships or services may have on the objectivity and independence of the independent auditor.
- c) If applicable, consider whether the provision by the independent auditor of any permitted information technology services or other non-audit services to the Company is compatible with maintaining the independence of the independent auditor.
- d) Confirm with the independent auditor that the firm is in compliance with the partner rotation requirements established by the SEC.
- e) Consider whether, in order to assure continuing independence of the independent auditor, it is appropriate to adopt a policy of rotating the independent auditor on a regular basis.
- f) Review and evaluate the lead partner of the independent auditor.

Annual Financial Statements and Annual Audit

1. *Meetings with Management, the Independent Auditor and the Internal Audit Director.* The Committee will:
 - a) Meet with management, the independent auditor and the internal audit director in connection with each annual audit to discuss the scope of the audit, the procedures to be followed and the staffing of the audit.
 - b) Review and discuss with management and/or the independent auditor: (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (ii) any analyses prepared by management or

the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including analyses of the effects of alternative treatments of financial information within United States generally accepted accounting principles ("GAAP") on the Company's financial statements; and (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements.

- c) Review, and discuss with management and the independent auditor, the Company's annual audited financial statements and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" the disclosures contained in the Company's Annual Report on Form 10-K.

2. *Separate Meetings with the Independent Auditor.* The Committee will meet separately with the independent auditor to:

- a) Review with the independent auditor any problems or difficulties the independent auditor may have encountered during the course of the audit work, including any restrictions on the scope of activities or access to required information or any significant disagreements with management and management's responses to such matters. Among the items that the Committee should consider reviewing with the independent auditor are: (i) any accounting adjustments that were noted or proposed by the independent auditor but were "passed" (as immaterial or otherwise); (ii) any communications between the audit team and the independent auditor's national office respecting auditing or accounting issues presented by the engagement; and (iii) any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditor to the Company. The Committee will obtain from the independent auditor assurances that Section 10A(b) of the Securities Exchange Act of 1934, as amended, has not been implicated. The review should also include discussion of the responsibilities, budget and staffing of the Company's internal audit function.
- b) Discuss with the independent auditor the report that such firm is required to make to the Committee regarding: (i) all accounting policies and practices to be used that the independent auditor identifies as critical; (ii) all alternative treatments of financial information within GAAP for policies and practices related to material items that have been discussed among management and the independent auditor, including the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (iii) all other material written communications between the independent auditor and management

of the Company, such as any management letter, management representation letter, reports on observations and recommendations on internal control over financial reporting, the independent auditor's engagement letter, the independent auditor's independence letter, schedule of unadjusted audit differences and a listing of adjustments and classifications not recorded, if any.

- c) Discuss with the independent auditor any other matters required to be discussed by applicable auditing standards then in effect.
3. *Recommendation to Include Financial Statements in Annual Report.* The Committee will, based on the review and discussions in paragraphs 1(c) and 2(c) of this "Annual Financial Statements and Annual Audit" section, and based on the disclosures received from the independent auditor regarding its independence and discussions with representatives of the firm regarding such independence pursuant to paragraph 3(b) of the "Interaction with the Independent Auditor" section, determine whether to recommend to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year subject to the audit.

Quarterly Financial Statements

1. *Meetings with Management and the Independent Auditor.* The Committee will review, and discuss with management and/or the independent auditor, the Company's quarterly financial statements and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in the Company's Quarterly Reports on Form 10-Q.

Internal Audit

1. *Appointment and Removal.* On an annual basis, the Committee will review and advise the Board on the selection and removal of the internal audit director.
2. *Performance.* On an annual basis, the Committee will review the activities, structure and performance of the internal audit function, as well as the adequacy of the annual internal audit plan.
3. *Separate Meetings with the Internal Audit Director.* The Committee will periodically meet separately with the Company's internal audit director to discuss the responsibilities, budget and staffing of the Company's internal audit function and any issues that the internal audit director believes warrant the Committee's attention. In addition, the Committee will discuss with the internal audit director of any significant reports to management prepared by the internal audit director and any responses from management.

Other Powers and Responsibilities

1. The Committee will have the opportunity to review with management and/or the independent auditor the Company's earnings press releases (paying particular attention to any use of "pro forma" or "adjusted" non-GAAP information), as well as financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be in general terms (*i.e.*, discussion of the types of information to be disclosed and the types of presentations to be made).
2. The Committee will review, approve or ratify related party transactions pursuant to the Company's Related Persons Transactions Policy and applicable accounting standards, as brought to the attention of the Committee by management or the independent auditor.
3. The Committee will review the process relating to the Chief Executive Officer and Chief Financial Officer certifications required to be filed with the SEC with respect to the Company's annual and quarterly financial statements and the Company's disclosure controls and procedures and internal control over financial reporting, including any material weaknesses or significant deficiencies in such internal control. At its discretion, the Committee may also meet periodically with the Chairman and other representatives of the Company's Disclosure Committee to review and discuss the adequacy and effectiveness of the Company's disclosure controls and procedures.
4. The Committee will discuss with management and/or the independent auditor any correspondence from or with regulators or governmental agencies, any employee complaints or any published reports that raise material issues regarding the Company's financial statements, financial reporting processes, accounting policies or internal audit function.
5. The Committee will discuss with the General Counsel or outside counsel any legal matters brought to the Committee's attention that could reasonably be expected to have a material impact on the Company's financial statements.
6. The Committee will review and discuss with management and the independent auditor the Company's report on internal control over financial reporting prior to filing the Company's Annual Report on Form 10-K.
7. The Committee will discuss with management the Company's guidelines and policies with respect to risk assessment and risk management. In addition, the Committee will (a) discuss with management the Company's significant business and financial risk exposures (including those related to cybersecurity, data privacy and data security) and (b) review and evaluate

the actions management has taken to monitor and mitigate such exposures (which will include an evaluation of the Company's insurance program).

8. The Committee will set clear hiring policies for employees or former employees of the Company's independent auditor, and from time to time, as the Committee deems appropriate, the Committee will review with the General Counsel the Hiring Guidelines for Auditor Employees (the "Auditor Hiring Guidelines"). On an annual basis, the Committee will review the profiles of the employees or former employees of the Company's independent auditor hired by the Company during the preceding year, if any, and whether the Auditor Hiring Guidelines were appropriately followed.
9. The Committee will establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential and anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
10. The Committee will establish procedures for the receipt, retention and treatment of complaints received by the Company regarding potential violations of applicable laws, rules and regulations or of the Company's codes, policies and procedures. The Committee will also establish procedures for the confidential and anonymous submission by employees of the Company of concerns regarding questionable compliance matters.
11. The Committee will, from time to time, as it deems appropriate, review with the Company's General Counsel the Committee's Pre-Approval Policy, the Charter of the Internal Audit Function, the Related Persons Transactions Policy and the Policy for Employee Complaint Procedures for Accounting and Compliance Matters.
12. On an annual basis, the Committee will prepare, and approve for inclusion in the Company's proxy statement for its annual meeting of stockholders, the Audit Committee Report required by the rules of the SEC.
13. The Committee will review with the Company's General Counsel the Company's Corporate Code of Business Conduct and Ethics and its enforcement at least annually.
14. The Committee will review the adequacy and succession planning of the Company's senior accounting and financial employees at least annually.

V. Procedures

- A. **Meetings.** The Committee will meet at the request of its Chairman, two or more members of the Committee or the Chairman of the Board. The Committee will meet on at least a quarterly basis (prior to the filing of the Company's Quarterly Reports on Form 10-Q and Annual Report on Form 10-K with the SEC) and may

meet more frequently as circumstances dictate. Meetings of the Committee may be in person, by conference call or video and will be held at such time and place, and upon such notice, as its Chairman may from time to time determine, in each case in accordance with the Company's Bylaws. The Committee will keep such records of its meetings as it deems appropriate.

Meetings may, at the discretion of the Committee, include other directors, members of the Company's management, independent advisors, consultants, representatives of the Company's independent auditor, the Company's internal audit director, any other financial personnel employed or retained by the Company or any other persons whose presence the Committee believes to be necessary or appropriate. Those in attendance may observe meetings of the Committee, but may not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event are not entitled to vote. Notwithstanding the foregoing, the Committee may also exclude from its meetings any persons it deems appropriate, including, but not limited to, any director who is not a member of the Committee.

- B. ***Quorum and Approval.*** A majority of the Committee's members will constitute a quorum at any meeting of the Committee. The Committee will act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of a meeting.
- C. ***Rules.*** The Committee may determine additional rules and procedures, including designation of a secretary of the Committee at any meeting thereof.
- D. ***Reports.*** The Committee will maintain minutes of its meetings and make regular oral or written reports to the Board, directly or through its Chairman, of its actions and any recommendations to the Board. These reports will include a discussion of any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditor, the performance of the Company's internal audit function or any other matter the Committee determines is necessary or advisable to report to the Board.
- E. ***Review of Charter.*** The Committee will periodically review the need for changes in this Charter and recommend any proposed changes to the Board for approval.
- F. ***Performance Review.*** On an annual basis, the Committee will review and evaluate its own performance and submit itself to a review and evaluation by the Board.
- G. ***Fees; Reimbursement of Expenses.*** Each member of the Committee as well as the Chairman will be paid the fee set by the Board or a committee thereof for his or her services as a member, or Chairman, as the case may be, of the Committee. Subject to the Company's Corporate Governance Guidelines and other policies, Committee members, including the Chairman, will be reimbursed by the Company for all

reasonable expenses incurred in connection with their duties as Committee members or as Chairman.

VI. Posting Requirement

The Company will make this Charter available on or through the Company's website as required by applicable rules and regulations. In addition, the Company will disclose in its proxy statement for its annual meeting of stockholders or in its Annual Report on Form 10-K, as applicable, that a copy of this Charter is available on the Company's website and provide the website address.

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