Parsley Energy, Inc.
Form DEF 14A
April 06, 2018
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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 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))

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)

Payment of Filing Fee (Check the appropriate box):

No fee required.

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Notice of 2018 Annual Meeting of Stockholders

Meeting Date & Time:	Meeting Place:	Record Date:
Friday May 25, 2018 8:00 a.m.	W Austin Hotel 200 Lavaca Street Austin, Texas 78701	March 26, 2018

To the stockholders of Parsley Energy, Inc.:

Notice is hereby given that the 2018 Annual Meeting of Stockholders of Parsley Energy, Inc. (the Company) will be held at the W Austin Hotel, 200 Lavaca Street, Austin, TX 78701, on May 25, 2018, at 8:00 a.m. Central Time (the Annual Meeting). The Annual Meeting is being held for the following purposes:

1. To elect to the Company s Board of Directors the two Class I directors set forth in this Proxy Statement, each of whom will hold office until the 2021 Annual Meeting of Stockholders and until his successor is elected and qualified or until his earlier death, resignation or removal.	P. 4
2. To ratify the appointment of KPMG LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2018.	P. 51

3. To approve, on a non-binding advisory basis, the Company s Named Executive Officer compensation P. 52

for the fiscal year ended December 31, 2017.

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

adjournments or postponements thereof.

Each outstanding share of the Company s common stock (NYSE: PE) entitles the holder of record at the close of business on March 26, 2018, 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. Accordingly, beginning on April 6, 2018, we will mail to each stockholder a Notice of Internet Availability of Proxy Materials with instructions on how to access the proxy materials, vote online or request paper copies.

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.

Parsley Energy, Inc.

303 Colorado Street, Suite 3000

Austin, Texas 78701
Austin, Texas
April 6, 2018

By Order of the Board of Directors,

Bryan Sheffield
Chief Executive Officer and
Chairman of the Board

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PARSLEY ENERGY, INC.

303 Colorado Street, Suite 3000

Austin, Texas 78701

PROXY STATEMENT

2018 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 2018 Annual Meeting of Stockholders that will be held on May 25, 2018, at 8:00 a.m. Central Time, at the W Austin Hotel, 200 Lavaca 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 2018 Annual Meeting of Stockholders available on the Internet at www.proxyvote.com. Pursuant to rules adopted by the Securities and Exchange Commission (the SEC), we have elected to provide access to our proxy solicitation materials primarily via the Internet, rather than mailing paper copies of these materials to each stockholder. Beginning on April 6, 2018, we will mail to each stockholder a Notice of Internet Availability of Proxy Materials (the Notice of Availability) containing instructions on how to access the proxy materials, vote online or request paper copies. The approximate date on which this Proxy Statement, the Notice of 2018 Annual Meeting of Stockholders, the Company s 2017 Annual Report to Stockholders (the Annual Report) and the proxy card are first being made available to stockholders at www.proxyvote.com is April 6, 2018.

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 three proposals:

Proposal ONE: To elect to the Board the two Class I directors set forth in this Proxy Statement, each of whom will hold office until the 2021 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, 2018.

Proposal THREE: To approve, on a non-binding advisory basis, the Company s Named Executive Officer compensation, as disclosed in this Proxy Statement, for the fiscal year ended December 31, 2017.

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 the election to the Board of each of the director nominees (Proposal ONE); FOR the ratification of the appointment of KPMG as our independent registered public accounting firm for the fiscal year ending December 31, 2018 (Proposal TWO); and FOR the approval, on a non-binding advisory basis, of the Company s Named Executive Officer compensation for the fiscal year ended December 31, 2017 (Proposal THREE).

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting To Be Held on May 25, 2018: This Proxy Statement, the Notice of 2018 Annual Meeting of Stockholders, the Annual Report and the proxy card are available at www.proxyvote.com

Pursuant to the notice and access rules adopted by the SEC, we have elected to provide stockholders access to our proxy materials over the Internet. The approximate date on which this Proxy Statement, the accompanying Notice of 2018 Annual Meeting of Stockholders, the Annual Report and the proxy card are first being made available to stockholders at www.proxyvote.com is April 6, 2018. The Notice of Availability will be sent to all of our stockholders as of the close of business on March 26, 2018 (the Record Date). The Notice of Availability includes instructions on how to access our proxy materials and how to request a printed copy of these materials. In addition, by following the instructions in the Notice of Availability, stockholders may request to receive proxy materials in printed form by mail or electronically by e-mail on an ongoing basis.

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About the Annual Meeting

Choosing to receive your future proxy materials by e-mail or to receive a single set of proxy materials per household 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.

The Annual Report 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 of Availability. 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) duly executing a 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.

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 as of the Record Date. 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 brokenon-votes. Brokenon-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 the 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. 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 of Availability, 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 of Availability 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 266,265,665 shares of Class A Common Stock and 48,731,731 shares of Class B

Common Stock outstanding, held by 36 and 72 stockholders of record, respectively. Abstentions (*i.e.*, if you or your broker mark ABSTAIN on a proxy or voting instruction form, or if a stockholder of record attends the Annual Meeting but does not vote (either before or during the Annual Meeting)) and broker non-votes will be considered to be shares present at the meeting for purposes of establishing a quorum.

Required Votes

Election of Directors. Each director will be elected by a majority of votes cast by the holders of shares entitled to vote in the election of directors at the Annual Meeting; this means that the number of shares voted for a nominee must exceed the number of shares voted against that nominee. 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, 2018 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 Company s Named Executive Officer compensation for the fiscal year ended December 31, 2017 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. 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.

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 execute and submit a proxy, but do not provide any voting instructions, your shares will be voted FOR the election to the Board of each of the director nominees listed in Proposal ONE, FOR Proposal TWO, and FOR Proposal THREE.

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.

In this Proxy Statement, the terms the Company, we, us, our and similar terms refer to Parsley Energy, Inc. and its subsidiaries.

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 I directors of the Company, to serve for three-year terms beginning at the Annual Meeting and expiring at the 2021 Annual Meeting of the Stockholders, and until either they are re-elected or their successors are elected and qualified or until their earlier death, resignation or removal:

Dr. Hemang Desai

Mr. Ronald Brokmeyer

Dr. Desai and Mr. Brokmeyer are currently serving as directors of the Company. If Dr. Desai and Mr. Brokmeyer are elected to the Board of Directors, the size of the Board will remain at nine members. Biographical information for each director nominee is contained in the Directors and Executive Officers section below.

The Board of Directors has no reason to believe that its director nominees will be unable or unwilling to serve if elected. If a director 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 each director in this Proposal ONE requires the vote of a majority of the votes cast by the holders entitled to vote in the election of directors; this means that the number of shares vote FOR a nominee must exceed the number of shares voted AGAINST that nominee. Neither abstentions nor broker non-votes will have any effect on the outcome of the election of directors.

Recommendation

The Board unanimously recommends that stockholders vote FOR the

election to the Board of each of the director nominees.

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Directors and Executive Officers

After the Annual Meeting, assuming the stockholders elect to the Board of Directors the director nominees 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	40	Chief Executive Officer and Chairman of the Board
Matthew Gallagher	35	President, Chief Operating Officer and Director
Ryan Dalton	38	Executive Vice President Chief Financial Officer
Colin Roberts	39	Executive Vice President General Counsel
Mike Hinson	49	Senior Vice President Corporate Development
A.R. Alameddine(2)(3)	70	Director
	55	Director

Ronald Brokmeyer(1)(2)		
William Browning(1)(3)	64	Director
Dr. Hemang Desai(1)(2)	52	Director
Karen Hughes(2)(3)	61	Director
David H. Smith(3)	48	Director
Jerry Windlinger(3)	66	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 nine members, and if the stockholders elect Dr. Desai and Mr. Brokmeyer to the Board, the Board will continue to consist of nine 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. Dr. Desai and Mr. Brokmeyer are designated as Class I 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 2021. Messrs. Browning, Smith and Windlinger are designated as Class II directors, and their terms of office expire in 2019. Messrs. Sheffield, Gallagher and Alameddine and Ms. Hughes are designated as Class III directors and their terms of office expire in 2020.

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

Bryan Sheffield	Chief Executive Officer and Chairman of the Board	Age 40

Biographical Information:

Bryan Sheffield has served as the Company s Chief Executive Officer and Chairman of the Board since January 2017. Mr. Sheffield founded the Company in 2008 and has led the Company s growth since that time, including, prior to January 2017, as President, Chief Executive Officer, and Chairman of the Board. He began his career trading options and interest rate futures in Chicago and Gibraltar, before spending 18 months with Pioneer Natural Resources Company (Pioneer), where he began his oil and gas career.

Qualifications:

Mr. Sheffield graduated from Southern Methodist University in 2001 with a Bachelor of Business Administration in Finance and serves on the board of the American Exploration and Production Council. We believe that Mr. Sheffield s experience founding and leading the growth of the Company as our Chief Executive Officer qualifies him to serve on our Board of Directors.

Matthew Gallagher	President, Chief Operating Officer and Director	Age 35

Biographical Information:

As previously announced and discussed in more detail below, the Company adopted a succession plan in January 2018 pursuant to which Matthew Gallagher, the Company s President and Chief Operating Officer since January 2017, will succeed Mr. Sheffield as Chief Executive Officer, and be appointed President and Chief Executive Officer, effective January 1, 2019.

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Directors and Executive Officers

Mr. Gallagher was appointed to the Board of Directors concurrent with this announcement in January 2018. In the interest of promoting the stability of our leadership transition, upon the recommendation of the Nominating and Governance Committee, the Board of Directors determined that it was reasonable and in the best interests of the Company and our stockholders to appoint Mr. Gallagher to the Board in 2018 as a Class III director.

Since joining the Company in 2010, Mr. Gallagher has overseen the Company s engineering, operations and geoscience functions in positions of increasing responsibility, including Vice President Engineering and Geoscience from December 2013 to April 2014, and Vice President Chief Operating Officer from May 2014 through January 2017. Prior to joining the Company, 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.

Qualifications:

Mr. Gallagher has a Bachelor of Science in Petroleum Engineering from the Colorado School of Mines, serves on the board of directors of the Permian Basin Petroleum Association and is a member of the Permian Basin Society of Petroleum Engineers and West Texas Geological Society. The Board determined that it was appropriate for Mr. Gallagher to serve as a member of our Board of Directors because of his extensive experience with the Company, including most recently as President and Chief Operating Officer, and his expected succession to Chief Executive Officer. We believe that these same characteristics qualify him to serve on our Board of Directors.

Ryan Dalton	Executive Vice President Chief Financial Officer Age 38

Biographical Information:

Ryan Dalton has served as the Company s Executive Vice President Chief Financial Officer since January 2017. Mr. Dalton has overseen the Company s finance function since joining in January 2012, first as Finance Director and then as Vice President Chief Financial Officer from December 2013 through January 2017. From 2009 to January 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.

Qualifications:

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.

Colin Roberts	Executive Vice President General Counsel	Age 39

Biographical Information:

Colin Roberts has served as the Company s Executive Vice President General Counsel since January 2017, prior to which he served as the Company s General Counsel from April 2013 to May 2014, and the Company s Vice President General Counsel from May 2014 through January 2017. Prior to joining the Company, Mr. Roberts practiced corporate law with Alston & Bird LLP from 2008 to March 2013.

Qualifications:

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.

Mike Hinson	Senior Vice President Corporate Development	Age 49

Biographical Information:

Mike Hinson has served as the Company s Senior Vice President Corporate Development since January 2017. Mr. Hinson helped co-found the Company and oversaw the Company s land function from August 2009, when he joined, until June 2016, first as Land Manager from August 2009 through December 2013, and then as Vice President Land from December 2013 through June 2016. In July 2016, Mr. Hinson was appointed as the Company s Vice President Corporate Development, a position in which he served until January 2017, when he became the Company s Senior Vice President Corporate Development. Prior to joining the Company, Mr. Hinson worked in land management for Parker and Parsley Petroleum Company and Pioneer for 12 years.

Qualifications:

Mr. Hinson 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.

A.R. Alameddine	Director	Age 70

Biographical Information:

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.

Qualifications:

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.

Ronald Brokmeyer	Director	Age 55

Biographical Information:

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.

Qualifications:

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.

William Browning	Director	Age 64

Biographical Information:

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 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 Ares Commercial Real Estate Corporation, a real estate investment trust, and also serves on the board of directors of multiple privately held companies in the construction and energy industries.

Qualifications:

Mr. Browning 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 of accounting and auditing matters qualify him for service on our Board of Directors.

Dr. Hemang Desai	Director	Age 52

Biographical Information:

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.

Qualifications:

Dr. Desai 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.

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Directors and Executive Officers

Karen Hughes	Director	Age 61

Biographical Information:

Karen Hughes joined our Board of Directors in August 2017, and is the Worldwide Vice Chair of Burson-Marsteller, a leading global public relations and communications firm, which she joined in 2008. In the spring of 2018, Burson-Marsteller merged with Cohn & Wolfe to form Burson Cohn & Wolfe, a top-three global public relations and integrated communications firm. During her time with Burson-Marsteller, Ms. Hughes has provided strategic communications counsel to a wide range of clients across a variety of industries. Previously, she served as Counselor to the President for President George W. Bush from 2001 to 2002. In this role she acted as strategic advisor to the President on policy and communications and led the White House Offices of Communications, Media Affairs, Speechwriting, and Press Secretary. She also served as Under-Secretary of State for Public Diplomacy and Public Affairs, in which capacity she led the U.S. government s efforts to communicate America s values abroad. She serves on the Board of Directors for the National Football Foundation. She is a member of the Council on Foreign Relations and the U.S. Afghan Women s Council, an organization created to foster ties between the women of the United States and Afghanistan. Ms. Hughes also serves on the Women s Initiative Policy Advisory Council at the Bush Institute in Dallas.

Qualifications:

Ms. Hughes received a Bachelor of Arts in English and a Bachelor of Fine Arts in Journalism from Southern Methodist University in 1977. Ms. Hughes was identified as a potential director by members of management who had interacted with Ms. Hughes in a professional capacity and were aware of her strong reputation in the business community and, particularly, the communications field. We believe that Ms. Hughes extensive and unique experience advising on communications strategies and executive communications and her wide-ranging policy experience qualifies her for service on our Board of Directors. Moreover, the Company is pleased that the addition of Ms. Hughes further broadened the Board s talent, experience and diversity. In order to provide the Board of Directors with time to fully integrate and in the interest of promoting healthy Board discussion, the Board of Directors determined that it was reasonable and in the best interests of the Company and our stockholders to appoint Ms. Hughes to the Board in 2017 as a Class III director.

David H. Smith	Director	Age 48

Biographical Information:

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 and currently heads DGC s business organizations and transactions practice. He has served on our Board of Directors since December 2013. Prior to joining DGC, Mr. Smith practiced with Thompson & Knight LLP 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 Jewish Coalition.

Qualifications:

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.

Jerry Windlinger	Director	Age 66

Biographical Information:

Jerry Windlinger joined our Board of Directors in December 2016, and is the former Vice President of Corporate Development of Anadarko Petroleum Corporation, a position he held from March 2014 until his retirement in December 2016, during which time he was responsible for overseeing the company s global acquisitions, divestitures, and business development activities. He oversaw U.S. business development for Anadarko from 2004 until 2014. Mr. Windlinger joined Anadarko in 1978 and served in a variety of technical and managerial positions in reservoir engineering, exploration, development, and acquisitions. Over the course of his 41 years in the energy industry, Mr. Windlinger s experience spanned U.S. onshore, U.S. offshore, Alaskan, Canadian, and international assets.

Qualifications:

Mr. Windlinger earned both a Bachelor of Science and a Master of Science in Petroleum Engineering from the University of Texas. He is a member of the Society of Petroleum Engineers and a registered Professional Engineer in the state of Texas. We believe that Mr. Windlinger s long spanning executive and technical experience in the oil and gas industry qualifies him for service on our Board of Directors.

Senior Officer and Co-Founder

Set forth below is biographical information about Paul Treadwell, the Company s Senior Vice President Operations, who helped found the Company in 2008.

Paul Treadwell	Senior Vice President Production Operations	Age 50

Biographical Information:

Paul has served as the Company s Senior Vice President Production Operations since February 2018. Mr. Treadwell helped co-found the Company with Mr. Sheffield in 2008. Since that time, he has overseen our operations activities in positions of increasing responsibility, including as Vice President Operations from December 2013 to January 2017 and Senior Vice President Operations from January 2017 to February 2018. Prior to joining the Company, Mr. Treadwell spent 17 years with Parker and Parsley Petroleum Company and Pioneer in a variety of operations and management roles. Mr. Treadwell has over 30 years of experience in oil and gas operations.

Qualifications:

Mr. Treadwell has an Associate in Applied Science degree from Western Texas College and is a member of the Society of Petroleum Engineers.

Meetings and Committees of Directors

The Board of Directors held four meetings during 2017. During 2017, each of our incumbent 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 (in each case, which were held during the period for which such incumbent director was a director).

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, Mr. Alameddine, 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 2018 and future years.

Audit Committee. The members of the Audit Committee are Messrs. Browning and Brokmeyer and Dr. Desai. The Audit Committee held five meetings during 2017. 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 Compensation 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.

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 Compensation Committee assesses the independence of any Committee Advisor prior to retaining such Committee Advisor, and on an annual basis thereafter.

The members of the Compensation Committee are Messrs. Alameddine and Brokmeyer, Dr. Desai and Ms. Hughes. The Compensation Committee held four meetings during 2017.

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, Alameddine, Browning and Windlinger and Ms. Hughes. The Nominating and Governance Committee held four meetings during 2017.

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 (the Securities Act), or the Securities Exchange Act of 1934, as amended (the Exchange Act), 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, 2017.

Compensation Committee of the Board of Directors:

A.R. Alameddine, Chairman

Ronald Brokmeyer, Member

Dr. Hemang Desai, Member

Karen Hughes, 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 2017 and is intended to provide investors with the material information necessary for understanding our compensation policies and decisions regarding our Named Executive Officers as well as providing context for the tabular disclosure provided in the executive compensation tables below. 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 2017 include:

Name	Title
Bryan Sheffield	Chief Executive Officer and Chairman of the Board(1)
Ryan Dalton	Executive Vice President Chief Financial Officer(2)
Matthew Gallagher	President and Chief Operating Officer(1)
Colin Roberts	Executive Vice President General Counsel(3)
Mike Hinson	Senior Vice President Corporate Development(4)

(1) Mr. Gallagher was promoted from Vice President Chief Operating Officer to President and Chief Operating Officer, effective January 5, 2017. Following this appointment, Mr. Sheffield who previously served as President,

Chief Executive Officer and Chairman of the Board, continued to serve as Chief Executive Officer and Chairman of the Board.

(2) Mr. Dalton was promoted from Vice President Chief Financial Officer to Executive Vice President Chief Financial Officer, effective January 5, 2017.

(3) Mr. Roberts was promoted from Vice President General Counsel to Executive Vice President General Counsel, effective January 5, 2017.

(4) Mr. Hinson was promoted from Vice President Corporate Development to Senior Vice President Corporate Development, effective January 5, 2017.

Chief Executive Officer Succession Plan

On January 9, 2018, the Company announced that Bryan Sheffield, our Chief Executive Officer and Chairman of the Board, intends to step down from his position as our Chief Executive Officer, effective January 1, 2019 (the Transition Date). The Board, upon the recommendation of the Nominating and Governance Committee, approved a succession plan pursuant to which, as of the Transition Date, Mr. Sheffield will continue to serve as an officer of the Company in the role of Executive Chairman of the Board, and Matthew Gallagher, currently our President and Chief Operating Officer, will succeed Mr. Sheffield as our Chief Executive Officer, and be appointed President and Chief Executive Officer. Until the Transition Date, Mr. Sheffield will continue to serve as our Chief Executive Officer and Chairman of the Board, and Mr. Gallagher will continue to serve as our President and Chief Operating Officer. On January 9, 2018, the Board, upon the recommendation of the Nominating and Governance Committee, also appointed Mr. Gallagher to the Board as a Class III director, which class was chosen by the Board in the interest of promoting the stability of our leadership transition. Mr. Sheffield is expected to continue as Executive Chairman of the Board through December 31, 2019, at which time he will retire as an employee and officer of the Company, but continue serving as Chairman of the Board, a non-employee director position. A summary of the anticipated dates and events associated with this succession plan are contained in the table below:

Dates	Event
January 9, 2018	Mr. Gallagher is appointed to the Board as a Class III director.
January 9, 2018 through December 31, 2018	Mr. Sheffield continues to serve as Chairman and Chief Executive Officer.
	Mr. Gallagher continues to serve as President and Chief Operating Officer.
January 1, 2019 (*i.e.*, the Transition Date)	Mr. Sheffield steps down as Chief Executive Officer but remains as an employee and officer of the Company in the role of Executive Chairman of the Board.
	Mr. Gallagher succeeds Mr. Sheffield as Chief Executive Officer and is appointed as our President and Chief Executive Officer.

	The offices of Chairman and Chief Executive Officer are separated.
December 31, 2019	Mr. Sheffield is expected to retire as an employee and officer of the Company and continue serving as Chairman of the Board thereafter.

In connection with the succession plan, the Compensation Committee entered into a letter agreement with Mr. Sheffield setting forth the terms of his compensation for his service as Executive Chairman of the Board (*i.e.*, from the Transition Date, when he steps down as Chief Executive Officer, through the date he is no longer an employee or officer of the Company, which is expected to occur on December 31, 2019). The terms of the letter agreement are described below in the section entitled Executive Compensation Decisions Since Fiscal Year End CEO Letter Agreement.

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Compensation Discussion and Analysis

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.

2017 Company Performance

Despite a challenging commodity price backdrop during much of the year, we accomplished a number of significant achievements in 2017, including the following:

- We added over 90,000 net acres and more than 2,500 net premium drilling locations through strategic acquisitions and acreage trades in core development areas in the Midland and Delaware basins.

- We increased full-year 2017 net production by 77% over full-year 2016 net production, with net oil volumes increasing 75% year-over-year.

- We posted strong reserve growth in 2017, increasing proved reserves by 87% year-over-year and proved oil reserves by 82% year-over-year.

- Alongside substantial production and reserve growth, we maintained our strong financial position over the course of 2017, exiting the year with approximately $1.7 billion of liquidity.

- We reduced per-unit general and administrative expenses and cash-based general and administrative expenses 16% from 4Q16 to 4Q17, contributing to a 16% increase in our operating cash margin over the same period.*

- We reported strong initial results from several wells in the largely undeveloped Wolfcamp C formation in the Midland Basin, representing one of the industry s most significant delineation successes during 2017.

* Operating cash margin is defined as realized price per Boe, excluding hedges less per-unit lease operating expenses, cash general and administrative expenses, and production and ad valorem taxes. Cash general and administrative

expenses exclude stock-based compensation.

NEO Pay at a Glance

To ensure that the interests of the Named Executive Officers are aligned with stockholders, the 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 84% of our Chief Executive Officer s 2017 target compensation was comprised of at-risk pay, while his guaranteed base salary comprised 16% of his target annual compensation. Similarly, the second chart below shows that, on average, 79% of our Named Executive Officers (excluding our Chief Executive Officer) 2017 target compensation was comprised of at-risk pay, while their average guaranteed base salary comprised 21% of their average target annual compensation.

Compensation Discussion and Analysis

Say-on-Pay and Say-on-Frequency

Last year, our stockholders overwhelmingly approved, on an advisory basis, the compensation programs for our Named Executive Officers. Advisory votes in favor of these programs were cast by over 97% of the shares of Common Stock present in person or represented by proxy and entitled to vote at the 2017 Annual Meeting of Stockholders. We hold Say-on-Pay votes on an annual basis, in accordance with our stockholders vote in favor of annual advisory votes to approve executive compensation at our 2016 Annual Meeting of Stockholders, which was the frequency recommended by our Board. We believe that annual Say-on-Pay votes are the most appropriate for the Company, because such votes allow our stockholders the opportunity to provide more frequent feedback on the compensation program for our Named Executive Officers and provide the Compensation Committee with real-time information regarding our stockholders response to our programs and policies. The Board and the Compensation Committee took the results of the Say-on-Pay vote into account when evaluating the compensation program for our Named Executive Officers in 2017. Based in part on the level of support from our stockholders, the Compensation Committee elected not to make any material changes to the compensation programs for our Named Executive Officers during 2017. We appreciate our stockholders continuing annual feedback regarding our executive pay practices, as we value our stockholders evaluation of our executive compensation program 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 the 2017 executive compensation program as described below.

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 the Company achieve our financial and operational goals. We have a strong interest in the retention of our current Named Executive Officers, as we believe that their unique capabilities and experience will continue to enable the Company to achieve our corporate objectives and create long-term value for our stockholders. We strive to provide appropriate incentives and effective retention mechanisms without excessive payments. The Compensation Committee s goal in designing and implementing our executive compensation program is to ensure that it provides a competitive level of compensation to attract and retain talented executives, reward and encourage maximum corporate and individual performance, promote accountability and assure that executive interests are aligned with the interests of our stockholders. We believe that these compensation objectives are accomplished 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 comprised of pay that is at-risk.

The following chart highlights several features of our compensation practices.

What we do:	What we don t do:

Pay for performance and pay for sustained performance over multi-year performance periods	No single-trigger change of control vesting for time-based awards
Establish challenging performance metrics	No guaranteed bonuses
Policy prohibiting hedging transactions	No excessive perquisites
Policy prohibiting pledging transactions subject to limited exceptions with Audit Committee approval	No payment of current dividends on unvested restricted stock units
Evaluate officer compensation levels against a peer group of similarly-sized E&P companies	No gross-ups for severance or change of control payments
Substantial portion of pay at-risk	
Independent Compensation Consultant	
Equity awards subject to extended vesting periods	
Stock ownership guidelines for non-employee directors and executives	
Performance-based awards vest on change of control based on actual performance	

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 our officers (including the Named Executive Officers) and non-employee directors. The Compensation Committee s responsibilities include administering the Parsley Energy, Inc. Long-Term Incentive Plan (the LTIP), which provides for the grant of cash and equity-based awards. The Compensation Committee also reviews the Compensation Discussion and Analysis section of our annual proxy statement and produces the Compensation Committee Report with respect to our executive compensation disclosures for inclusion in our annual proxy statement. In addition, the Compensation Committee regularly reviews current best compensation and governance practices to ensure that our executive compensation program is consistent with recent developments and market practice. The Compensation Committee, in overseeing 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, please refer to the Compensation Committee Charter, which is posted on the Corporate Governance page of the investor relations section of the Company s website at www.parsleyenergy.com.

Determining Compensation Levels

As discussed above, the Compensation Committee has the overall responsibility for establishing the elements, terms and target value of compensation paid or delivered to our Named Executive Officers. The Compensation Committee strives to develop a competitive, but not excessive, compensation program for 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 its independent compensation consultant, Meridian Compensation Partners, LLC (Meridian), including direct data from our peer group, other industry compensation surveys (including Mercer PayMonitor s Total Compensation for the Energy Sector Survey), and proprietary data developed by Meridian. In addition, the Compensation Committee considers information provided by our executive officers in designing and implementing our executive compensation program. This data assists the Compensation Committee in evaluating appropriate compensation levels for each Named Executive Officer in relation to market practice and in designing an effective executive compensation program for the Company. The roles of Meridian and our executive officers in the Compensation Committee s decision-making process are described more fully below.

Role of Compensation Consultant in Compensation Decisions

The Compensation Committee has retained Meridian as its 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 and corporate governance. For example, Meridian regularly updates the Compensation Committee on regulatory changes impacting executive compensation, proxy advisor policies, compensation-related risks, and exploration and production industry compensation trends. In addition, Meridian provides the Compensation Committee with external context such as relevant market and peer-company compensation and performance data and information and advice regarding recent trends and developments in executive and director compensation practices. This information assists the Compensation Committee in making executive and director compensation decisions based on market pay levels and best practices.

The Compensation Committee engaged Meridian to assist and advise the Compensation Committee. Meridian reports directly and exclusively to the Compensation Committee and does not provide any other services to management, the Company or its affiliates. Meridian does not make compensation-related decisions for the Compensation Committee or otherwise with respect to the Company, and, while the Compensation Committee generally reviews and considers information and recommendations provided by Meridian, the Compensation Committee has the final authority to make compensation-related decisions. The Compensation Committee has the discretion to allow Meridian to work directly with management in preparing or reviewing materials for the Compensation Committee s consideration. During 2017, and after taking into consideration the factors listed in Section 303A.05(c)(iv) of the New York Stock Exchange (NYSE) Listed Company Manual, the Compensation Committee concluded that neither it nor the Company has 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 2017.

Role of Executive Officers in Compensation Decisions

In determining the compensation of our Chief Executive Officer, the Compensation Committee considers the information and advice provided by Meridian, our corporate goals, historic and projected performance, the current economic and commodities environment, and other relevant factors. With respect to the compensation of the Named Executive Officers other than our Chief Executive Officer, the Compensation Committee also considers the recommendations of our Chief Executive Officer. Additionally, in light of the Named Executive Officers integral role in establishing and executing the Company s overall operational and financial objectives, the Compensation Committee requests that the Named Executive Officers provide recommendations on the appropriate goals for the qualitative and quantitative performance metrics used in our short-term cash incentive program. As discussed above, the Compensation Committee retains sole discretion to make final compensation determinations, and the Compensation Committee may disregard any recommendations or observations made by our executive officers. In addition, the Compensation Committee may invite any Named Executive Officer to attend Compensation Committee meetings to report on the Company s progress with respect to the annual quantitative and qualitative performance metrics, but any such officer is excluded from any decisions or discussions regarding his individual compensation.

Peer Group

The Compensation Committee, with input from Meridian, selects our peer group after reviewing the relative size, market capitalization, revenues, enterprise value, business structure, mix of oil and gas production, and historical performance of a number of similar companies in the upstream exploration and production business. The Compensation Committee also considers to what extent we directly compete with the peer companies in making its determination (*e.g.*, whether we operate in the same geographic location). The Compensation Committee, with input from Meridian, determined that the peer group for 2017 should be updated in order to better reflect the rapid growth of our acreage portfolio and production volumes, our current market position (*e.g.*, market capitalization, revenues and enterprise value) and the expectation of continued consolidation and volatility in the energy industry. After taking all of these considerations into account, the Compensation Committee determined that the companies included in the table below reflect an appropriate peer group for 2017:

Cabot Oil & Gas Corp.	Gulfport Energy Corp.	PDC Energy Inc.
Carrizo Oil & Gas Inc.	Laredo Petroleum Inc.	QEP Resources, Inc.
Cimarex Energy Co.	Matador Resources Co.	Rice Energy Inc.*
Diamondback Energy Inc.	Newfield Exploration Co.	RSP Permian Inc.
Energen Corp.	Oasis Petroleum Inc.	WPX Energy Inc.

* On November 13, 2017, Rice Energy Inc. was acquired, via merger, by EQT Corporation, and Southwestern Energy Co. was added to the peer group as a replacement. As such, the modification to the peer group occurred long after the Compensation Committee had evaluated peer data for the purpose of establishing 2017 compensation levels for the Named Executive Officers; however, the replacement applies to the peer group used for the Performance-Based Awards granted in 2017.

Compensation and total stockholder return data from the above peer group was used by the Compensation Committee when making decisions regarding the compensation paid to our Named Executive Officers and, as described in 2017 Long-Term Incentive Awards under the LTIP below, also used for the relative total stockholder return comparison for performance-based long-term incentive awards granted to our Named Executive Officers in February 2017 for the three-year performance period covering January 1, 2017 through December 31, 2019. As described in 2017 Long-Term Incentive Awards under the LTIP below, at the end of the performance period, the Compensation Committee will certify the total stockholder return for our stock in comparison to our peer group, which will determine the payout level for the performance-based long-term incentive awards granted to our Named Executive

Officers in 2017.

Due to the Company s rapid growth and continuing maturation, the Compensation Committee periodically reviews and adjusts our peer group to ensure that companies in the group more closely match our size and operational profile. See Executive Compensation Decisions Since Fiscal Year End 2018 Long-Term Incentive Awards under the LTIP for a description of our 2018 peer group.

Elements of Compensation

Base Salary

Each Named Executive Officer s base salary is a fixed component of compensation each year for performing specific job duties and functions. Base salary is an integral component of our compensation and a crucial aspect of retaining top executive talent. The Compensation Committee sets our Chief Executive Officer s base salary and works together with our Chief Executive Officer to determine what adjustments, if any, should be made to the base salaries of our other Named Executive Officers. With the exception of base salary increases in connection with promotions, the Compensation Committee generally evaluates whether to increase the base salaries of our Named Executive Officers in June of each year. The base salary rates for the Named Executive Officers are modified based upon consideration of factors that the Compensation Committee deems relevant, including but not limited to: (i) any increase or decrease in the executive s responsibilities; (ii) the executive s experience; (iii) the executive s job performance; and (iv) the level of compensation paid to executives of other companies with which we compete for executive talent, as estimated based on data provided by Meridian, publicly available information, and the experience of the members of the Compensation Committee. Specifically, effective as of March 1, 2017, the Compensation Committee increased Mr. Gallagher s base salary from $460,000 to $500,000 to reflect his promotion to President and Chief Operating Officer.

We believe our rapid growth and the resulting changes in the companies that comprise our compensation peer group from year to year make annual evaluations of the compensation levels paid to our Named Executive Officers increasingly important.

These evaluations ensure we continue to compensate our executives competitively and in a manner that reflects their increasing responsibilities. Based upon these evaluations and consistent with past practice, the Compensation Committee increased base salaries, effective July 3, 2017, for all of our Named Executive Officers in an effort to more closely align them with the base salary levels paid to similarly situated executives by members of our peer group.

Name	2016 Base Salary	2017 Base Salary
Bryan Sheffield	$ 710,000	$ 810,000
Ryan Dalton	$ 420,000	$ 455,000
Matthew Gallagher	$ 460,000	$ 525,000
Colin Roberts	$ 360,000	$ 375,000
Mike Hinson	$ 336,000	$ 345,000

The total base salary paid to each of our Named Executive Officers for services provided during 2017 is reported below in the Salary column of our Summary Compensation Table.

Incentive Compensation

To attract, retain, and motivate employees, directors, and other service providers, we award short-term cash incentive awards and long-term time-based and performance-based equity awards, in each case pursuant to our Long-Term Incentive Plan, or LTIP, which was adopted by our Board of Directors in connection with the closing of our initial public offering (IPO). Our Named Executive Officers are eligible to participate in the LTIP, which allows the Board to grant a variety of cash and equity-based awards, including options to purchase shares of our Class A Common Stock, stock appreciation rights, restricted stock, restricted stock units (RSUs), bonus stock, dividend equivalents, other stock-based awards, performance awards, and annual incentive awards. Since the adoption of our LTIP, we have awarded only restricted stock, RSUs, and short-term cash incentive bonuses pursuant to our LTIP.

Annual Incentive Bonus 2017 Short-Term Cash Incentive Program

Our short-term cash incentive program is designed to motivate our Named Executive Officers to achieve specific financial and operational goals over a short-term period by providing pre-established performance criteria that are communicated to our Named Executive Officers early in the performance period. The 2017 short-term cash incentive program also provides for payout percentages that are calculated based upon the Company s actual performance against equally weighted quantitative and qualitative performance goals. No payout percentage is earned for a quantitative metric if the actual performance for that metric is below the threshold level, and the overall payout amount for each Named Executive Officer is capped at 200% of that individual s target bonus (regardless of any individual performance adjustment).

The quantitative metrics are comprised of specific, numerical performance goals, while the qualitative factors are based on strategic company goals that are not easily quantified. Furthermore, the 2017 short-term cash incentive program allows the Compensation Committee the flexibility to adjust payouts based on individual performance and relevant market adjustments.

The quantitative performance metrics utilized in 2017, which in the aggregate were weighted 50% of the total annual incentive opportunity, included the following:

daily average production volume, measured in thousand barrels of oil equivalent per day (MBOEPD), which represents the quantity of oil, gas, and natural gas liquids produced per day;

lease operating expense (LOE), which includes all direct and allocated indirect costs of lifting hydrocarbons from a producing formation to the surface constituting part of the current operating expenses of a working interest, including labor, superintendence, supplies, repairs, maintenance, allocated overhead charges, workover, insurance and other expenses incidental to production, but excludes lease acquisition and drilling and completion expenses;

finding and development cost for proved developed producing reserves (PDP F&D), which is calculated by dividing annual development capital expenditures by year-over-year proved developed producing and proved developed non-producing reserve additions, and includes reclassifications and technical and pricing revisions, but excludes acquisitions and divestitures; and

cash general and administrative expense (Cash G&A), which represents the relevant cash general and administrative expenses not captured in development costs.

LOE, PDP F&D and Cash G&A are measured on a unit basis (*i.e.*, barrel of oil equivalent (Boe)) and are designed to incentivize expense reductions and improved operational efficiencies. The qualitative metrics that the Compensation Committee may consider include, but are not limited to, achievement of strategic initiatives, talent development and health, safety, and environmental improvements. The qualitative metrics utilized in 2017, in the aggregate, were weighted 50% of the total annual incentive opportunity. The chart below summarizes the metrics and performance levels established by the Compensation Committee for 2017.

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Compensation Discussion and Analysis

	Weighting	Threshold Performance Level	Target Performance Level	Maximum Performance Level
Quantitative Metrics	**50%**			
Daily Average Production	20%	59 MBOEPD Payout %: 10%	65 MBOEPD Payout %: 20%	71 MBOEPD Payout %: 40%
LOE	12.5%	$4.97/Boe Payout %: 6.25%	$4.38/Boe Payout %: 12.5%	$3.50/Boe Payout %: 25%
PDP F&D	15%	$13.60/Boe Payout %: 7.5%	$12.00/Boe Payout %: 15%	$9.00/Boe Payout %: 30%

Cash G&A	2.5%	$5.12/Boe	$4.88/Boe	$4.25/Boe
		Payout %: 1.25%	Payout %: 2.5%	Payout %: 5%
Qualitative Factors	**50%**			
Strategic Initiatives Talent Development Health/Safety/Environmental	The payout percentage for qualitative metrics will be determined by the Compensation Committee in its sole and absolute discretion after considering our qualitative performance in any areas it deems relevant, which may include, but are not limited to, the qualitative factors listed here.			

After the level of performance is determined by the Compensation Committee, the payout percentage for each individual metric is added together to calculate the total payout percentage for each Named Executive Officer. The Compensation Committee may then adjust the total payout percentage for each participant either up or down by no more than 25% to take into account individual performance. The final payout percentage is then multiplied by the participant s target bonus opportunity.

At the time the metrics for the 2016 short-term cash incentive program were established in February 2016, in light of the depressed commodities market at that time, the Compensation Committee determined that the target bonus opportunity for each of our Named Executive Officers should be reduced from 100% of each Named Executive Officer s base salary in 2015 to 60% of each Named Executive Officer s base salary in 2016. In February 2017, after reviewing our Named Executive Officers target bonus opportunities relative to the higher annual incentive bonus opportunities provided to similarly situated executives at our peer companies and considering the Company s performance, the performance of the Named Executive Officers and general industry and market conditions, the Compensation Committee determined that the target bonus opportunity for each of our Named Executive Officers under the 2017 short-term cash incentive program should be increased from 60% of each officer s base salary in 2016 to (i) 100% for Messrs. Sheffield, Dalton, Gallagher and Roberts and (ii) 75% for Mr. Hinson, in each case, of such Named Executive Officer s base salary in effect at 2017 fiscal year-end.

In 2017, while the Compensation Committee intended to administer the program as described above, in order to retain flexibility to account for market and other conditions, the Compensation Committee reserved the right to increase or decrease final awards or terminate the 2017 short-term cash incentive program entirely at any time prior to settlement of the awards.

In February 2018, the Compensation Committee met to determine the payout percentage for each metric based on the actual level of performance achieved in 2017 for each of the qualitative and quantitative performance factors. The Compensation Committee reviewed and discussed the data regarding the Company s performance as compared to the targets for each quantitative performance metric established for the 2017 fiscal year. The Compensation Committee did not exercise its discretion to adjust the total payout percentage based on individual performance, modify the final awards in any other way, or terminate the program during 2017.

As shown below, the Compensation Committee calculated the payout percentage for the quantitative metrics to be 68.2% by applying the actual results for each quantitative metric for the 2017 fiscal year to the targets approved by the Compensation

Committee at its February 2017 meeting. We exceeded the target performance level for each of the daily average production, LOE and PDP F&D metrics, and we exceeded the maximum performance level for Cash G&A, resulting in payout percentages of 30%, 16.2% 17% and 5%, for each metric, respectively.

With respect to the qualitative metrics, the Compensation Committee considered a variety of qualitative factors in determining a payout percentage of 51.8%, as reflected in the following table:

Qualitative Factors	Achievement of Performance Objectives in 2017
Strategic Initiatives	Expanded the Company s acreage footprint to increase operational capacity and growth potential; Completed certain acreage trades of lower working interest properties for higher working interest operated properties; Successfully delineated the Wolfcamp C formation; Increased expected high-return drilling locations; Improved certain areas of cost performance; and Fully hedged projected 2018 production volumes.
Talent Development	Enhancededucational opportunities and training; Expandedresponsibility for our personnel management committee; Increasedthe use of human resources software to streamline key human resources processes; and Maintainedhigh employee morale, as measured by employee surveys.
Safety and Environmental	Improved reporting capabilities;

Implemented employee training initiatives; and

Limited reportable incidents and spills year-over-year despite a significant increase in activity and exposure hours.

The following chart shows the Compensation Committee s determination with respect to the 2017 short-term cash incentive program performance measures:

Quantitative Metrics

Metric	**Threshold**	**Target**	**Maximum**	***Actual Result***	**Payout Percentage(1)**
Daily Average Production/MBOEPD	59 MBOEPD	65 MBOEPD	71 MBOEPD	**68 MBOEPD**	30%
LOE	$4.97/Boe	$4.38/Boe	$3.50/Boe	**$4.12/Boe**	16.2%
PDP F&D	$13.60/Boe	$12.00/Boe	$9.00/Boe	**$11.61/Boe**	17%
Cash G&A	$5.12/Boe	$4.88/Boe	$4.25/Boe	**$4.22/Boe**	5%
SUB-TOTAL					**68.2%**

Qualitative Factors

Factor	**Actual Result**

Strategicinitiatives Talentdevelopment Health/Safety/Environmental	Weachieved a number of strategic initiatives, including, among others, an expansion of the Company s acreage footprint, the completion of certain acreage trades, an increase in high-return inventory, and certain improvements in cost performance. Wefostered talent development through a variety of initiatives, including increased responsibility for our personnel management committee, increased use of human resources software to streamline recruiting, hiring, and promotion processes, and high employee morale. Weadvanced the Company s safety and environmental reporting capabilities, training efforts, and maintained limited reportable incidents and spills year-over-year despite substantially increased development activity.	**51.8%**

TOTAL 2017 PAYOUT PERCENTAGE **120%**

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(1) No payout percentage is earned for a quantitative metric if the actual performance for the applicable metric is below the threshold level, and the overall payout percentages are capped at 200% of target payout.

The final payout percentage of 120%, as determined above, was then multiplied by each Named Executive Officer s target bonus opportunity, which was, in the case of Messrs. Sheffield, Dalton, Gallagher and Roberts, 100% and, in the case of Mr. Hinson, 75%, of the Named Executive Officer base salaries in effect as of December 31, 2017, in order to calculate the total bonus payable to each Named Executive Officer.

The bonus amounts paid to the Named Executive Officers for the 2017 fiscal year under the 2017 short-term cash incentive program are outlined in the chart below and are reported in the Summary Compensation Table in the Non-Equity Incentive Plan Compensation column:

Name	Base Salary as of 12/31/17 ($)		Target Bonus as % of Base Salary		Payout Percentage		Individual Performance Adjustments ($)		Actual 2017 Bonus Award ($)
Bryan Sheffield	$810,000	X	100%	X	120%	+/-	$0	=	$972,000
Ryan Dalton	$455,000	X	100%	X	120%	+/-	$0	=	$546,000
Matthew Gallagher	$525,000	X	100%	X	120%	+/-	$0	=	$630,000
Colin Roberts	$375,000	X	100%	X	120%	+/-	$0	=	$450,000

Mike Hinson	$345,000	X	75%	X	120%	+/-	$0	=	$310,500

2017 Long-Term Incentive Awards under the LTIP

On February 16, 2017, the Compensation Committee granted RSUs and restricted stock to each of our Named Executive Officers. One-half of the awards granted were awards of Performance-Based RSUs (Performance-Based Awards), and the other one-half of the awards granted were awards of Time-Based Restricted Stock (Time-Based Awards). As described in the below section entitled Executive Compensation Decisions Since Fiscal Year End Conversion of RSUs, for tax planning purposes, on February 12, 2018, the Performance-Based Awards granted to our Named Executive Officers in 2017 were converted from RSUs to restricted stock, subject to the same material terms and conditions previously applicable to such awards, as described in this section. As converted, the Performance-Based Awards are intended to be economically identical to the pre-conversion awards granted to our Named Executive Officers in 2017.

The awards will be settled in unrestricted shares of our Class A Common Stock and will accrue dividend equivalents that are settled in cash within 45 days of the settlement of the awards. The Compensation Committee determined that the relative mix of Performance-Based Awards and Time-Based Awards was appropriate for 2017 based on the particular incentives and characteristics associated with each type of award. Specifically, Performance-Based Awards are intended to ensure that a meaningful portion of our Named Executive Officers compensation is performance-based and variable based on the performance of our stock price relative to our peers, thus incentivizing our Named Executive Officers to achieve long-term company performance goals and aligning Named Executive Officer compensation with the value created for our stockholders over time. Time-Based Awards, as a more predictable compensation element, are intended to emphasize long-term retention and to further align our Named Executive Officers interests with those of our stockholders through meaningful stock ownership in the Company. In short, the combination of Performance-Based Awards and Time-Based Awards is intended to provide a balance of incentivizing sustainable Company performance over an extended time frame with our long-term retention goals. All of the Time-Based Awards granted to the Named Executive Officers in February 2017 will vest, subject to continued employment with the Company and the terms of the applicable award agreements and the LTIP, on February 16, 2020.

The performance metric applicable to the Performance-Based Awards granted in 2017 is relative total stockholder return, which measures our total stockholder return as compared to the total stockholder return of peer group companies over the three-year performance period from January 1, 2017 through December 31, 2019. Total stockholder return is calculated as the change in stock price plus dividends paid over the performance period, assuming that any dividends paid are reinvested in the applicable peer company s stock. The stock price at the beginning and end of the performance period is calculated using the relevant company s 20 trading-day average closing stock price leading up to the first and last day of the performance period, respectively. The peer group of companies used to measure relative total stockholder return is as follows, which is the same peer group disclosed above in the section entitled Determining Compensation Levels Peer Group.

Cabot Oil & Gas Corp.	Gulfport Energy Corp.	PDC Energy Inc.

Carrizo Oil & Gas Inc.	Laredo Petroleum Inc.	QEP Resources, Inc.
Cimarex Energy Co.	Matador Resources Co.	Rice Energy Inc.*
Diamondback Energy Inc.	Newfield Exploration Co.	RSP Permian Inc.
Energen Corp.	Oasis Petroleum Inc.	WPX Energy Inc.

* On November 13, 2017, Rice Energy Inc. was acquired, via merger, by EQT Corporation, and Southwestern Energy Co. was added to the peer group as a replacement.

If during the performance period any member of the above peer group is acquired, then it will be replaced by one of the substitute companies listed below. The applicable replacement company will be added to the peer group and used in lieu of the acquired company when calculating relative total stockholder return for the entire performance period. The replacement member (or members) will be automatically selected from the following list in the order enumerated below:

1. Southwestern Energy Co.*	4. Whiting Petroleum Corp.
2. Range Resources Corp.	5. Murphy Oil Corp.
3. Concho Resources Inc.	6. EP Energy Corp.

* Southwestern Energy Co. replaced Rice Energy Inc. in the peer group in connection with its acquisition, via merger, by EQT Corporation on November 13, 2017.

During the performance period, if any member of the peer group enters into bankruptcy or is delisted and ceases to be traded on a national securities exchange (*i.e.*, Nasdaq or NYSE), other than by reason of acquisition, then it will remain in the peer group, and its performance will be measured using a zero percent total stockholder return for purposes of the relative total stockholder return calculation from the date of such company s bankruptcy, delisting or cessation of trading on a national securities exchange through the end of the performance period.

The Compensation Committee determined that relative total stockholder return was an appropriate performance measure over this three-year performance period, because it aligns the interests of our Named Executive Officers with those of our stockholders. In addition, due to the sustained volatility in our industry and depressed commodity prices, the Compensation Committee felt that the Performance-Based Awards should vest based on performance relative to peers in our industry.

At the end of the three-year performance period, the Performance-Based Awards will vest based on the Compensation Committee s certification of our relative total stockholder return for the performance period as follows:

Level	Performance (Percentile Rank vs. Peers)	Payout (% of Target)
< Threshold	< 25th Percentile	0%
Threshold	25th Percentile	50%
Target	50th Percentile	100%
³ Maximum	75th Percentile	200%

If we do not achieve the threshold level of relative total stockholder return, the Performance-Based Awards will be forfeited in their entirety. In addition, under no circumstances will the number of Performance-Based Awards that vest equal more than 200% of the target number of Performance-Based Awards originally granted. Vesting levels for performance between threshold, target, and maximum will be calculated using straight line interpolation.

Vesting of 2015 Performance-Based RSUs under the LTIP

On February 19, 2015, the Company granted performance-based RSUs to each of our Named Executive Officers, which vested based on the Company s relative total stockholder return over the three-year performance period from January 1, 2015 through December 31, 2017. The 2015 performance-based RSUs became vested following the end of the applicable performance period on December 31, 2017, and, on February 12, 2018, the Compensation Committee determined that the Company attained a 97% cumulative total stockholder return over the three-year performance period, resulting in the third highest total stockholder return among the applicable peer group members and a performance level at the 83rd percentile. Consequently, the Company s relative total stockholder return for the applicable performance period was in excess of the maximum performance level (*i.e.*, greater than the 75th percentile ranking), resulting in a payout equal to 200% of the target number of performance-based RSUs granted, as reflected in the following table.

Name	Target Number of 2015 PSUs	Payout	Actual Number

		Percentage of Target	of Shares Earned
Bryan Sheffield	67,164	200%	134,328
Ryan Dalton	29,850	200%	59,700
Matthew Gallagher	37,313	200%	74,626
Colin Roberts	19,402	200%	38,804
Mike Hinson	19,402	200%	38,804

Compensation Discussion and Analysis

Other Compensation Elements

Health, 401(k) and Life Insurance Plans We currently maintain a retirement plan intended to provide benefits under section 401(k) of the Internal Revenue Code of 1986, as amended (the Code), whereby employees, including our Named Executive Officers, are allowed to contribute portions of their base compensation to a tax-qualified retirement account. We provide a 200% match of salary deferrals up to 4% of eligible compensation for all employees. Such matching contributions are immediately fully vested for all participants. We may also make additional discretionary matching contributions, although no such contributions were made in 2017 or are currently being contemplated for 2018. We also pay all premiums for health insurance coverage and for life insurance coverage of $100,000 for each of our employees on a non-discriminatory basis.

Aircraft Usage We utilize our corporate aircraft to facilitate the most efficient business travel for certain employees, members of our Board of Directors and business partners. Any permitted traveler utilizing the corporate aircraft for personal use not associated with business travel must obtain advance approval from our Chief Executive Officer, enter into a time sharing agreement, and reimburse the Company for all applicable expenses allowable and in accordance with FAA regulations. Pursuant to his employment agreement, our Chief Executive Officer is entitled to utilize the aircraft for reasonable personal use in North America at no cost to him for up to 30 hours per calendar year. The value of unreimbursed personal use of the aircraft by our Chief Executive Officer will be treated as imputed income to him for tax purposes. Our Chief Executive Officer has entered into a time sharing agreement in accordance with FAA regulations, pursuant to which he reimburses the Company for all applicable expenses allowable for flight hours exceeding the 30 hours provided for under his employment agreement. Additionally, dependents of our Named Executive Officers are permitted in limited circumstances to accompany our Named Executive Officers on business flights, provided any such flight has the appropriate extra capacity for such dependents. Please see footnote 3 to the Summary Compensation Table below for a description of corporate aircraft use by our Named Executive Officers in 2017.

Pension and Nonqualified Deferred Compensation We have not maintained, and do not currently maintain, a defined benefit pension plan or nonqualified deferred compensation plan.

Employment Agreements

We have entered into employment agreements with each of our Named Executive Officers. Our Named Executive Officers employment agreements provide for compensatory payments and benefits upon certain termination events, including termination events following a change of control. In addition, the employment agreements provide for limited termination and change of control protections in connection with certain awards granted pursuant to our LTIP. These provisions allow our Named Executive Officers to more objectively manage the Company and serve as a recruiting and retention tool. Except for our performance-based equity awards, which, pursuant to the employment agreements, vest based on the actual achievement of the applicable performance conditions through the date immediately prior to a change of control of the Company, we do not have any arrangements that provide for payments to executives solely upon the occurrence of a change of control (*i.e.*, single-trigger arrangements). Pursuant to their employment agreements, the Named Executive Officers are subject to certain post-termination restrictions, including confidentiality, non-competition, and non-solicitation obligations.

For a description of the terms of the employment agreements with each of our Named Executive Officers, please see the section below entitled Narrative Disclosure to the Summary Compensation Table and Grants of Plan-Based Awards Tables. For a more complete description of our obligations under the employment agreements in the event of a termination of employment or change of control, please see the section below entitled Potential Payments Upon Termination or Change in Control.

Tax and Accounting Considerations

The Compensation Committee and the Company review and consider the tax, accounting, and securities law implications of our executive compensation program.

Section 162(m) Section 162(m) of the Code (Section 162(m)) prohibits deductions for compensation paid in excess of $1 million during a single fiscal year to certain executive officers. The Section 162(m) deduction limitation should not apply to the compensation paid to our Named Executive Officers under our LTIP during 2017, as such compensation was intended to fall within the transition exception to the Section 162(m) deduction limitation for compensation paid pursuant to a plan that existed prior to the time of our IPO (the Transition Exception). The Transition Exception will no longer be available to the Company following our 2018 Annual Meeting of Stockholders. We take the economic effects of Section 162(m) into consideration when determining the structure, implementation, and value of compensation paid to our executive officers, including the deductibility of our executive compensation program. While awards granted under our LTIP prior to the expiration of the Transition Exception, including our annual cash bonuses and equity awards, should not be subject to the deduction limitation imposed by Section 162(m), we reserve the right to pay non-deductible compensation to our executive officers if the Compensation Committee determines that such compensation is in the best interests of the Company. This may occur, for example, if the Compensation Committee determines that the payment of non-deductible compensation is necessary to attract, retain, and motivate executive officers. Given the expiration of the Transition Exception and other changes made to Section 162(m) by the Tax Cuts and Jobs Act enacted in 2017, which took effect in 2018, it is likely that a portion of the compensation paid to our Named Executive Officers in 2018 will be subject to the Section 162(m) deduction limitation.

Accounting for Executive Compensation Currently, all equity-based compensation is accounted for under the rules of the Financial Accounting Standards Board Accounting Standards Codification Topic 718 (FASB ASC Topic 718). This rule requires the Company to estimate the expense of each equity award over the vesting period of the award and record it as such. We are also obligated to record cash-based awards as an expense at the time our payment obligation is accrued.

Risk Assessment and Mitigation

The Compensation Committee has reviewed our executive and non-executive compensation programs and believes that they do not encourage excessive or unnecessary risk-taking. We believe that any risk inherent in our compensation programs is unlikely to have a material adverse effect on us. In designing and implementing our award structure, we and the Compensation Committee worked closely with Meridian to mitigate any risks and to minimize the creation of imprudent incentives for our executives. We do not believe that our performance-based compensation encourages unnecessary risks because the executive pay mix is sufficiently diversified over several performance metrics as well as over short-term and long-term compensation.

Our compensation program structure and policy includes the following features to prevent and safeguard against excessive risk-taking:

- Payments under our short-term cash incentive program are based upon the Compensation Committee s certification and review of a variety of performance metrics, thereby diversifying the risk associated with any single performance indicator;

- Our long-term equity compensation rewards have performance or vesting periods of at least three years, which encourages executives to focus on sustaining the performance of the Company and its stock price;

- We pay compensation that is competitive with the market and our industry peers, while not being excessive;

- Our compensation mix is balanced among fixed and variable components, annual and long-term compensation, and cash and equity that reward performance in the Company s and our executives long-term best interests;

- Our incentive compensation plans cap the maximum payout and implement design features that do not encourage excessive risk-taking;

Our Compensation Committee has an appropriate level of discretion to reduce payments under the short-term cash incentive program;

Our insider trading policy contains a general anti-hedging and, subject to limited exceptions with Audit Committee approval, anti-pledging policy for all insiders; and

We do not have any agreements that provide for payments solely upon the occurrence of a change in control (except for performance-based equity awards, which vest based on the actual achievement of the applicable performance conditions through the date immediately prior to the change of control).

We believe that our executive compensation program provides our executive officers with appropriate rewards for sustained performance, without giving unnecessary weight to any one factor or type of compensation, and avoids excessive risk. Our compensation structure is designed to encourage sustained performance over a long-term period. Based on the foregoing, the Compensation Committee has concluded that the risks arising from our compensation policies and programs is not reasonably likely to have a material adverse effect on us.

Recoupment of Compensation

Our LTIP and all of our Named Executive Officers employment agreements are subject to deductions and clawbacks required to be made pursuant to any law, government regulation or stock exchange listing requirement or by any policy adopted by us. To date, the Board has not adopted a formal clawback policy to recoup compensation. The Sarbanes-Oxley Act of 2002 mandates that the Chief Executive Officer and Chief Financial Officer reimburse the Company for any bonus or other incentive-based or equity-based compensation paid to them in a year following the issuance of financial statements that are later required to be restated as a result of misconduct. In addition, Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act) requires the SEC to direct national securities exchanges to prohibit the listing of any security of an issuer that fails to develop and implement a clawback policy. The Compensation Committee has reviewed the SEC s proposed rules on incentive compensation clawbacks pursuant to the Dodd-Frank Act and evaluated the practical, administrative and other implications of adopting, implementing and enforcing a clawback policy, and intends to implement a more specific clawback policy once the SEC s rules are finalized.

Anti-Hedging and Anti-Pledging Policy

We maintain an insider trading policy that prohibits insiders from trading shares of our Class A Common Stock when in possession of material non-public information. It also prohibits the hedging and, unless a waiver is obtained from the Audit Committee, the pledging of our shares. Since the adoption of our insider trading policy, the Audit Committee has granted two waivers to the policy s general prohibition on pledging, authorizing our Chief Executive Officer and our President and Chief

Operating Officer to pledge a small percentage of their total ownership position of our stock as collateral for bank loans. In light of our Chief Executive Officer s and our President and Chief Operating Officer s substantial ownership positions in the Company, which are well in excess of the Company s stock ownership guidelines discussed below, the Audit Committee felt that these waivers were appropriate to allow the individual officers to achieve their financial planning objectives while limiting the amount of stock pledged to a small percentage of their ownership position in our stock.

Stock Ownership Guidelines

Upon the recommendation of the Nominating and Governance Committee, in 2017, the Board adopted revised stock ownership guidelines for non-employee directors and executives, including our Named Executive Officers. The details of the stock ownership guidelines applicable to our executives (including our Named Executive Officers are outlined below. All of our Named Executive Officers own stock in excess of what is required by the stock ownership guidelines.

Feature	**Executives**
Structure and Amount	Chief Executive Officer = 7x annual base salary Vice Presidents = 3x annual base salary Other Managers = 2x annual base salary
Years to Meet Requirement	Fiveyears
Shares that Count Towards Requirement	Vested and unvested restricted stock Shares held in 401(k), profit sharing or other savings accounts Shares purchased on the open market Shares beneficially owned with immediate family

Penalty for Failing to Meet Requirement	Penalties for failing to meet these requirements are administered by the Board on a case-by-case basis following discussion with our Chief Executive Officer and/or other officers of the Company

For information regarding the stock ownership guidelines applicable to our non-employee directors, please see the section of this Proxy Statement below entitled Director Stock Ownership Guidelines.

Executive Compensation Decisions Since Fiscal Year End

Conversion of RSUs

On February 12, 2018, the RSUs granted to our Named Executive Officers in 2016 and 2017 were converted into awards of restricted stock (the Converted Awards). As described above in the section entitled Tax and Accounting Considerations Section 162(m), Section 162(m) generally prohibits deductions for compensation paid in excess of $1 million during a single fiscal year to certain executive officers; however, the Code and the Department of Treasury regulations promulgated thereunder provide a Transition Exception to the Section 162(m) deduction limitation for compensation paid pursuant to a plan that existed prior to the time a company becomes publicly held. Generally, the Transition Exception applies to any compensation received pursuant to the vesting of an award of restricted stock granted prior to the expiration of the Transition Exception; however, the Transition Exception does not apply to any other forms of stock-based compensation, including RSUs, that vest and are settled following the expiration of the Transition Exception, even if such awards were granted prior to the expiration of the Transition Exception.

The Transition Exception will no longer be applicable to the Company following our 2018 Annual Meeting of Stockholders. In order to take advantage of the tax deductibility provided by the Transition Exception, the Compensation Committee determined it was in the best interests of the Company and its stockholders to convert the outstanding RSUs granted to our Named Executive Officers in 2016 and 2017 to awards of restricted stock. The Converted Awards will be subject to the same material terms and conditions, including vesting schedules and performance criteria, applicable to such awards prior to the conversion. The Converted Awards are intended to be economically identical to the RSU awards originally granted to our Named Executive Officers in 2016 and 2017.

2018 Short-Term Cash Incentive Program

The 2018 short-term cash incentive program is structured in a similar manner as the 2017 short-term cash incentive program. In February 2018, the Compensation Committee determined that the metrics and the relative weighting of each performance metric for the 2018 short-term cash incentive program should remain the same as those used in the 2017 short-term cash incentive program. Consistent with Item 402 of Regulation S-K, additional information regarding these decisions will be discussed in our proxy statement for the 2019 Annual Meeting of Stockholders.

2018 Long-Term Incentive Awards under the LTIP

In February 2018, the Compensation Committee granted long-term incentive awards under the LTIP to each of our Named Executive Officers. As in 2017, one-half were restricted shares of our Class A Common Stock that vest based on time (referred to above as Time-Based Awards) over a three-year period. In 2017, the other half of the awards granted to our Named Executive Officers were performance-based RSUs. In 2018, however, the Compensation Committee granted restricted shares of our Class A Common Stock that vest based on performance, rather than performance-based RSUs. As discussed in the above Conversion of RSUs section, the change in the type of performance-based awards granted in 2018 was primarily driven by an effort to maximize tax deductions for the Company with respect to these awards. Like the performance-based RSUs we have historically granted, the 2018 performance-based restricted shares will vest based on our relative total stockholder return performance over the three-year performance period of January 1, 2018 through December 31, 2020, and the threshold, target, and maximum payout percentages remain the same as the 2017 performance-based RSUs. Due to the nature of restricted stock awards and the Compensation Committee s desire to maximize the potential tax deduction for the Company, the maximum number of performance-based restricted shares (*i.e.*, 200% of the target) that may vest were granted in 2018; however, these performance-based restricted shares will only vest based on actual performance achievement during the performance period, and, following the Compensation Committee s certification of actual performance achievement, any restricted shares subject to such awards that have not vested will be forfeited. Threshold performance must be achieved before any vesting occurs, and no more than the maximum number of restricted shares subject to such awards will vest.

The Compensation Committee, with input from Meridian, determined to modify our 2017 peer group for purposes of the relative total stockholder return calculation associated with the Performance-Based Awards granted to Named Executed Officers in the first quarter of 2018. The Compensation Committee made these changes to our 2018 peer group in order to reflect the rapid growth and continuing maturation of the Company, along with the increase in assets, market capitalization, and enterprise value that resulted from the acquisitions we completed in 2017, and to provide competitors that more directly match our size and operational profile. Our peer group for the Performance-Based Awards granted in 2018 is as follows:

Antero Resources Corp	Encana Corporation	QEP Resources, Inc.
Cabot Oil & Gas Corp.	Energen Corporation	Range Resources Corp.
Cimarex Energy Co.	Marathon Oil Corporation	RSP Permian Inc.
Concho Resources Inc.	Noble Energy, Inc.	Whiting Petroleum Corp.
Continental Resources, Inc.	Pioneer Natural Resources Co.	WPX Energy Inc.

Diamondback Energy Inc.

Consistent with Item 402 of Regulation S-K, additional information regarding these decisions will be discussed in our proxy statement for the 2019 Annual Meeting of Stockholders.

CEO Letter Agreement

As described above in the section entitled Chief Executive Officer Succession Plan, in connection with succession plan approved by the Nominating and Governance Committee relating to Mr. Sheffield s transition from Chief Executive Officer to Executive Chairman of the Board, the Company entered into a letter agreement with Mr. Sheffield, dated as of January 9, 2018, with respect to his compensation as our Executive Chairman of the Board (the Letter Agreement). It is anticipated that Mr. Sheffield will step down as our Chief Executive Officer on January 1, 2019, at which time he will serve as our Executive Chairman of the Board until December 31, 2019. Following Mr. Sheffield s service as our Executive Chairman of the Board, it is expected that he will retire as an employee and officer of the Company, but continue serving as Chairman of the Board, a non-employee director position.

Pursuant to the terms of the Letter Agreement, during Mr. Sheffield s employment as our Executive Chairman of the Board, his employment agreement will remain in effect, and his base compensation, benefits, and the limited perquisites to which he is entitled will remain at the same level as currently in effect. Mr. Sheffield will be eligible to receive an annual cash bonus for the 2019 fiscal year; however, Mr. Sheffield will not be granted equity-based awards during his service as our Executive Chairman of the Board.

Upon his retirement as an employee and officer of the Company, expected to occur on December 31, 2019, Mr. Sheffield will be compensated as a non-employee director while he remains Chairman of the Board, and he will no longer be entitled to any compensation as an employee or officer of the Company. The Letter Agreement includes an acknowledgement that neither the compensation arrangements provided for in the Letter Agreement, nor Mr. Sheffield s transition from Chief Executive Officer to Executive Chairman of the Board or Mr. Sheffield s subsequent transition from Executive Chairman of the Board to Chairman of the Board will give rise to a right on Mr. Sheffield s part to terminate his employment with the Company and its subsidiaries for Good Reason (as such term is defined in Mr. Sheffield s employment agreement).

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2017 Summary Compensation Table

The following table sets forth information regarding the compensation awarded to, earned by or paid to our executive officers during the year ended December 31, 2017. Item 402 of Regulation S-K requires compensation disclosure for 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. These five officers are referred to as our Named Executive Officers.

Name and Principal Position	Year	Salary ($)	Stock Awards ($)(1)	Non-Equity Incentive Plan Compensation ($)(2)	All Other Compensation ($)(3)	Total ($)
	2017	$756,154	$3,845,852	$972,000	$25,585	$5,599,591
	2016	$653,078	$2,851,604	$745,500	$33,380	$4,283,562
Bryan Sheffield,						
Chief Executive Officer and Chairman	2015	$628,043	$2,750,366	$364,800	$50,003	$3,793,212
Ryan Dalton,	2017	$436,153	$1,631,566	$546,000	$24,856	$2,638,575
	2016	$389,606	$1,225,299	$441,000	$21,200	$2,077,105
Executive Vice President						
Chief Financial Officer	2015	$342,500	$1,222,358	$219,450	$21,200	$1,805,508
Matthew Gallagher,	2017	$503,537	$2,330,799	$630,000	$21,200	$3,485,536
	2016	$415,687	$1,527,659	$483,000	$21,200	$2,447,546
President and Chief Operating Officer	2015	$375,000	$1,527,968	$228,000	$21,200	$2,152,168
Colin Roberts,	2017	$366,923	$ 932,260	$450,000	$25,859	$1,775,042
	2016	$333,956	$ 840,195	$378,000	$21,200	$1,573,351
Executive Vice President General Counsel	2015	$315,000	$ 794,512	$188,100	$21,200	$1,318,812
		$340,153	$ 699,232	$310,500	$22,187	$1,372,072

Mike Hinson, Senior Vice President Corporate Development	2017 2016	$315,798	$ 804,563	$352,800	$18,023	$1,491,184

(1) For 2017, the amounts in this column represent the aggregate grant date fair value of the Time-Based Awards and Performance-Based Awards granted to each of our Named Executive Officers, calculated in accordance with FASB ASC Topic 718, disregarding estimated forfeitures. For additional information regarding the assumptions underlying this calculation, please see Note 9 to our consolidated financial statements, entitled Stock-Based Compensation, which is included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017. See the section of our Compensation Discussion and Analysis above entitled 2017 Long-Term Incentive Awards under the LTIP and the Grants of Plan-Based Awards Table below for additional information regarding these awards.

(2) In 2015, we implemented a new short-term cash incentive program under our LTIP. This new bonus program is intended to incentivize our Named Executive Officers to achieve specific financial and operational goals over the course of the year. As such, amounts earned under this program in 2015, 2016 and 2017 are reported in the Non-Equity Incentive Plan Compensation column rather than the Bonus column.

(3) Amounts reported in the All Other Compensation column include Company contributions to the Named Executive Officers 401(k) plan retirement accounts, the value of Mr. Sheffield s limited non-business use of aircraft owned by us, expenses paid by us for preventative health screenings at the Cooper Clinic, and certain security instruction and advisory services provided to Mr. Sheffield s personal security representatives, as shown in the following table.

Name	401(k) Plan Company Matching Contributions (i)	Corporate Aircraft (ii)	Cooper Clinic (iii)	Security (iv)	Total
Bryan Sheffield	$ 21,200	$ 4,385	$	$	$ 25,585
Ryan Dalton	$ 21,200	$	$ 3,656	$	$ 24,856
Matthew Gallagher	$ 21,200	$	$	$	$ 21,200
Colin Roberts	$ 21,200	$	$ 4,659	$	$ 25,859
Mike Hinson	$ 18,023	$	$ 4,164	$	$ 22,187

(i) Amounts included in this column represent the amount of the Company match of 401(k) plan contributions in 2017 for each Named Executive Officer.

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(ii) The amounts in this column represent the aggregate incremental cost to us of Mr. Sheffield s non-business use of Company-owned aircraft. Consistent with the terms of his time sharing arrangement, Mr. Hinson also used the Company-owned aircraft for non-business purposes during 2017, but he reimbursed us for such use and the value of the reimbursement, calculated pursuant to his time sharing agreement and in accordance with FAA regulations, exceeded the aggregate incremental cost to us for each such flight. Finally, spouses, dependents, and/or guests of each of Messrs. Sheffield, Gallagher, and Hinson flew on Company-owned aircraft in certain instances when unutilized capacity on previously scheduled business flights was available; however, because such use resulted in no incremental cost to the Company, no amounts were attributed to the Named Executive Officers for this limited non-business use. These arrangements are further described above in the section of our Compensation Discussion and Analysis entitled Other Compensation Elements Aircraft Usage. Incremental costs for non-business use of the Company-owned aircraft include fuel, contract crewmembers, crew meals, fixed base operator expenses (including temporary hanger fees, landing and ramp fees, etc.), catering, and ground transportation.

(iii) In 2017, we paid all expenses associated with Messrs. Dalton s, Roberts s, and Hinson s travel to and receipt of preventative health screening exams from the Cooper Clinic in Dallas, Texas. The amount in this column includes all such expenses, including air travel, hotel expenses, and the cost of the exam.

(iv) Certain members of the Company s security staff provided security instruction and advisory services to Mr. Sheffield s personal security representatives in 2017. The Company did not incur any incremental costs for such services.

Grants of Plan-Based Awards

The table below includes information about awards granted to our Named Executive Officers during 2017 under our LTIP, including awards under the 2017 short-term cash incentive program, Time-Based Awards and Performance-Based Awards.

	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1)	Estimated Future Payouts Under Equity Incentive Plan Awards(2)	All Other Stock Awards: Number of Shares or	Grant Date Fair Value of Stock Awards(4)

Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	Units(3) (# of Shares)	($)
Bryan Sheffield			$810,000	$ 1,620,000					
	02/16/2017				25,894	51,789	103,578		$ 2,195,854
	02/16/2017							51,789	$ 1,649,998
Ryan Dalton			$455,000	$ 910,000					
	02/16/2017				10,985	21,971	43,942		$ 931,570
	02/16/2017							21,971	$ 699,996
Matthew Gallagher			$525,000	$ 1,050,000					
	02/16/2017				15,693	31,387	62,774		$ 1,330,809
	02/16/2017							31,387	$ 999,990
Colin Roberts			$375,000	$ 750,000					
	02/16/2017				6,277	12,554	25,108		$ 532.290
	02/16/2017							12,554	$ 399,970
Mike Hinson			$258,750	$ 517,500					
	02/16/2017				4,708	9,416	18,832		$ 399,238
	02/16/2017							9,416	$ 299,994

(1)

Amounts in these columns represent the target and maximum estimated payouts for awards granted under our 2017 short-term cash incentive program. A threshold payout is not calculable for the non-equity incentive plan awards. The actual value of the bonuses paid to our Named Executive Officers for 2017 under this program can be found in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table, above. For additional information regarding the 2017 short-term cash incentive program, please see the section of our Compensation Discussion and Analysis above entitled Annual Incentive Bonus 2017 Short-Term Cash Incentive Program.

(2) Amounts in this column represent the number of Performance-Based Awards granted in 2017 that would vest upon the achievement of a threshold, target, and maximum level of performance. The actual number of Performance-Based Awards that will vest will not be determinable until the close of the three-year performance period on December 31, 2019 and will depend on our relative total stockholder return performance over that period.

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(3) This column includes the number of Time-Based Awards granted to our Named Executive Officers during 2017.

(4) The amounts shown in this column represent the grant date fair value of each equity award granted to our Named Executive Officers in 2017 computed in accordance with FASB ASC 718. For additional information regarding the assumptions underlying this calculation, please see Note 9 to our consolidated financial statements, entitled Stock-Based Compensation, which is included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017. For additional information regarding the Time-Based Awards and Performance-Based Awards reported in this table, please see the section of our Compensation Discussion and Analysis above entitled 2017 Long-Term Incentive Awards under the LTIP and Conversion of RSUs.

Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table

We have entered into employment agreements with each of our Named Executive Officers, the material terms of which are summarized below.

The employment agreement with Bryan Sheffield, our Chairman and Chief Executive Officer, has an initial three-year term that will automatically renew for successive one-year periods until terminated in writing by either party at least 60 days prior to a renewal date. The agreement provides Mr. Sheffield with an annual base salary of at least $615,000 during the term. Mr. Sheffield is also eligible to earn an annual bonus and has the right to participate in all benefits and conditions of employment generally available to our employees of the same level and responsibility. Mr. Sheffield is also entitled to the complimentary use of aircraft leased or owned by us for business purposes and also for up to 30 hours per calendar year of reasonable personal use within North America. Pursuant to the terms of his employment agreement, Mr. Sheffield is entitled to severance payments in certain limited circumstances. Severance benefits to be provided under Mr. Sheffield s employment agreement are described in more detail below in the section titled Potential Payments Upon Termination or Change in Control. Mr. Sheffield is also entitled to obtain an annual physical examination at the Cooper Clinic in Dallas, Texas, at our expense under his employment agreement. For additional information regarding the terms of Mr. Sheffield s employment with us, please see Executive Compensation Decisions Since Fiscal Year End CEO Letter Agreement.

We also have employment agreements with each of (i) Matthew Gallagher, our President and Chief Operating Officer, (ii) Ryan Dalton, our Executive Vice President Chief Financial Officer, (iii) Colin Roberts, our Executive Vice President General Counsel, and (iv) Mike Hinson, our Senior Vice President Corporate Development. Each agreement has an initial one-year term that will automatically renew for successive one-year periods until terminated in writing by either party at least 60 days prior to a renewal date. The agreement with Mr. Gallagher provides him with an annual base salary of at least $263,000 during the term; the agreement with Mr. Dalton provides him with an annual base salary of at least $253,000 during the term; the agreement with Mr. Roberts provides him with an annual base salary of at least $300,000 during the term; and the agreement with Mr. Hinson provides him with an annual base salary of at least $232,321 during the term. Each executive is also eligible to earn an annual bonus and has the right to participate in all benefits and conditions of employment generally available to our employees of the same level and responsibility. Pursuant to the terms of each employment agreement, each executive is entitled to severance payments in certain limited circumstances. Severance benefits to be provided under the employment agreements with Messrs. Gallagher, Dalton, Roberts and Hinson are described in more detail below in the section titled Potential Payments Upon Termination or Change in Control. Messrs. Gallagher, Dalton, Roberts and Hinson are also entitled to obtain a bi-annual physical examination at the Cooper Clinic in Dallas, Texas, at our expense under their employment agreements.

Outstanding Awards at Fiscal Year End

The awards reported below reflect the restricted stock and RSU awards each Named Executive Officer held as of December 31, 2017:

Name	Number of shares or units of stock that have not vested (#)(1)	Market value of shares or units of stock that have not vested ($)(2)	Equity incentive plan awards: number of unearned shares, units or other rights that have not vested (#)(3)	Equity incentive plan awards: market or payout value of unearned shares, units or other rights that have not vested ($)(2)
Bryan Sheffield	186,018	$5,476,370	237,708	$6,998,124
Ryan Dalton	104,570	$3,078,541	101,576	$2,990,397
Matthew Gallagher	129,506	$3,812,657	134,630	$3,963,507
Colin Roberts	76,121	$2,241,002	64,628	$1,902,648
Mike Hinson	69,716	$2,052,439	56,676	$1,668,541

(1) The awards reported in this column include time-based restricted shares of our Class A Common Stock granted to our Named Executive Officers on May 29, 2014 (other than Mr. Sheffield, who did not receive an award on that date) and February 16, 2017 and time-based restricted stock units granted to our Named Executive Officers on February 19, 2015 and February 18, 2016. On February 12, 2018, the time-based restricted stock units granted February 18, 2016 that vest in 2019 were

converted into time-based restricted stock awards with the same material terms and conditions as the original restricted stock units, including vesting schedules. For additional information, please see the section of our Compensation Discussion and Analysis above entitled Conversion of RSUs. Each award is scheduled to vest as follows:

Name	Vesting Date	Number of Time-Based Awards to Vest
Bryan Sheffield	02/16/2020	51,789
	02/18/2019	67,065
	02/19/2018	67,164
Ryan Dalton	02/16/2020	21,971
	02/18/2019	28,817
	02/19/2018	29,850
	05/29/2018	23,932
Matthew Gallagher	02/16/2020	31,387
	02/18/2019	35,928
	02/19/2018	37,313
	05/29/2018	24,878
Colin Roberts	02/16/2020	12,554
	02/18/2019	19,760
	02/19/2018	19,402
	05/29/2018	24,405
Mike Hinson	02/16/2020	9,416
	02/18/2019	18,922
	02/19/2018	19,402
	05/29/2018	21,976

In each case, vesting is generally contingent upon the continued provision of services by the Named Executive Officers to us from the date of grant through the date of vesting.

(2) The amounts in this column were calculated by multiplying the number of awards reported by $29.44, the closing price of our Class A Common Stock on the New York Stock Exchange on December 29, 2017.

(3) The awards reported in this column represent Performance-Based Awards granted to our Named Executive Officers on February 18, 2016 and February 16, 2017. On February 12, 2018, the performance-based restricted stock units granted on February 18, 2016 with a performance period ending on December 31, 2018 were converted into performance-based restricted stock awards with the same material terms and conditions as the original restricted stock units, including performance period and performance criteria. For additional information, please see the section of our Compensation Discussion and Analysis above entitled Conversion of RSUs. The number of outstanding Performance-Based Awards reported reflects the maximum number of Performance-Based Awards that could be delivered under the awards reported. This estimate is calculated based on our relative total stockholder return ranking for the applicable performance period as of December 31, 2017, and is not necessarily indicative of what the payout percent earned will be at the end of the performance period. Subject to the attainment of certain performance criteria as discussed in the section of our Compensation Discussion

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and Analysis entitled 2017 Long-Term Incentive Awards under the LTIP above, each award is scheduled to vest as described in the table below:

Name	End of Performance Period	Maximum Number of Performance-Based Awards to Vest
Bryan Sheffield	12/31/2019	103,578
	12/31/2018	134,130
Ryan Dalton	12/31/2019	43,942
	12/31/2018	57,634
Matthew Gallagher	12/31/2019	62,774
	12/31/2018	71,856
Colin Roberts	12/31/2019	25,108
	12/31/2018	39,520
Mike Hinson	12/31/2019	18,832
	12/31/2018	37,844

Option Exercises and Stock Vested

The table below reflects Performance-Based RSUs which vested during the fiscal year ended December 31, 2017. We have not granted stock options pursuant to our LTIP since its inception.

Name	Stock Awards Number of shares acquired on vesting (#)(1)	Value realized on vesting ($)(2)
Bryan Sheffield	134,328	$3,954,616

Ryan Dalton	59,700	$1,757,568
Matthew Gallagher	74,626	$2,196,989
Colin Roberts	38,804	$1,142,390
Mike Hinson	38,804	$1,142,390

(1) Amounts in this column represent Performance-Based Awards granted in 2015 which became vested at the end of the performance period on December 31, 2017.

(2) The value realized on the vesting of the Performance-Based Awards was calculated as the number of shares earned (including shares withheld for tax withholding purposes) multiplied by $29.44, the closing price of our Class A Common Stock on December 29, 2017, the last trading day of the performance period.

Potential Payments Upon Termination or Change in Control

Employment Agreements

As described above in the section entitled Narrative Disclosure to the Summary Compensation Table and Grants of Plan Based Awards Table, we have entered into amended employment agreements with each of our Named Executive Officers. The following summarizes the impact of certain termination events or the occurrence of a change of control on each Named Executive Officer s entitlement to severance and other benefits under these amended employment agreements.

Mr. Sheffield

Pursuant to the terms of his employment agreement, as amended, Mr. Sheffield would be entitled to accrued but unpaid base salary, reimbursements of properly incurred business expenses, and other employee benefits (the Accrued Obligations) in the event his employment were terminated upon either our or Mr. Sheffield s provision of a notice of nonrenewal, by us for Cause or by Mr. Sheffield without Good Reason (each as defined below), and Mr. Sheffield would forfeit all unvested outstanding eq