

**PIONEER NATURAL RESOURCES COMPANY**  
**COMPENSATION AND LEADERSHIP DEVELOPMENT COMMITTEE OF THE**  
**BOARD OF DIRECTORS**

**CHARTER**

**I Purposes**

The Board of Directors (the "Board") of Pioneer Natural Resources Company (the "Company") has established the Compensation and Leadership Development Committee (the "Committee") of the Board. The purposes of the Committee are as follows:

1. the determination of the individual elements of the CEO's total compensation and the approval of specific corporate goals and objectives relative to CEO compensation;
2. the compensation of the Company's other officers;
3. preparing annually the report that the Securities and Exchange Commission (the "SEC") rules require be included in the proxy statement relating to the Company's annual meeting of stockholders, and compliance with the other compensation reporting requirements of the SEC, New York Stock Exchange (the "NYSE"), and any other regulatory bodies;
4. administering the Company's employee and executive benefit plans;
5. formulating and monitoring the Company's overall employee compensation and benefits philosophy and strategy;
6. the review and administration of CEO and other officer succession and career planning activities, including policies and principles;
7. conducting an annual review of the CEO's performance and discussing the CEO's review of the Management Committee officers; and
8. as applicable, assisting the Board with its responsibilities relating to the foregoing purposes.

The Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section IV of this Charter, and will perform such other functions as the Board may assign from time to time.

**II Composition**

The Committee shall be composed of three or more directors, all of whom are members of the Board. Each member shall be "independent" as defined from time to time by the listing standards of the NYSE, applicable regulations of the SEC and any other applicable independence requirements. Accordingly, the Board shall determine annually whether each member is free from any relationship with the Company that is material to that director's ability to be independent from management in connection with the duties of a compensation committee member.

Unless the Board designates a chairperson of the Committee, the members of the Committee may designate a chairperson and change that designation by an affirmative vote of the majority of the full Committee membership. He or she shall be responsible for leadership of the Committee, including presiding over the meetings of the Committee and reporting to the Board. The Board may remove or replace the chairperson or any other member of the Committee at any time.

The Committee members may assist themselves, through the use of consultants and review of pertinent data dealing with corporate director and/or officer compensation, in being knowledgeable in compensation, benefit and related issues.

Additionally, at least two members of the Committee shall meet the definition of:

- A “non-employee director” within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934; and
- An “outside director” within the meaning Section 162(m) of the Internal Revenue Code of 1986, as amended.

Notwithstanding the foregoing membership requirements, no action of the Committee will be invalid by reason of any such requirement not being met at the time the action is taken.

Any member of the Committee who does not satisfy the “outside director” requirements of Section 162(m) shall have no authority to vote on the establishment and certification of performance goals for incentive compensation or the grant of any equity-based compensation which is intended to be “performance based” within the meaning of Section 162(m).

### **III Meetings**

The Committee customarily conducts four meetings each year, or such higher or lower number of meetings, including executive sessions, as the Committee may determine is appropriate (but no less than one annually).

Meetings may, at the discretion of the Committee, include other directors, members of the Company’s management, independent consultants or advisors, and such other persons as the Committee or its chairperson may determine. Those in attendance who are not members of the Committee may observe, and may participate in any discussion if invited to do so by the Committee, but in any event are not entitled to vote at the meeting. The Committee may also exclude from its meetings any person it deems appropriate, other than members of the Committee.

The Vice President and Chief Human Resources Officer, or such other officer as may from time to time be designated by the Committee, shall act as management liaison to the Committee and shall work with the Committee chairperson to prepare an agenda for regularly scheduled meetings. The Committee chairperson will make the final decision regarding the agenda for regularly scheduled meetings and shall develop the agenda for special meetings based on the information supplied by the persons requesting the special meeting.

The agenda and all materials to be reviewed at the meetings should be received by the Committee members as far in advance of the meeting day as practicable.

The Committee shall make regular reports to the Board about its activities and decisions, which may be made through the chairperson.

Each year the Committee shall review the need for changes in this Charter and recommend any proposed changes to the Board for approval.

Each year the Committee shall review and evaluate its own performance and shall review such evaluation with the Board.

Except as expressly provided in this Charter, the Certificate of Incorporation, the Bylaws of the Company, or the Corporate Governance Guidelines of the Company, as each may be amended from time to time, the Committee may determine additional rules and procedures to govern it or any of its subcommittees, including designation of a chairperson pro tempore in the absence of the chairperson and designation of a secretary of the Committee or any meeting thereof.

#### **IV Authority and Responsibilities**

The Committee is delegated all authority of the Board as may be required or advisable to fulfill the purposes of the Committee. The Committee may form and delegate some or all of its authority to subcommittees when it deems appropriate. The Committee may require any officer or employee of the Company or any of its subsidiaries or the Company's outside legal counsel and any outside consultants or advisors to the Company to attend a meeting of the Committee or to meet with any member of, or consultant to, the Committee.

The Company shall provide for appropriate funding, as determined by the Committee, for payment of (a) compensation and reimbursement of expenses to any legal counsel, outside consultants or other advisors employed by the Committee, and (b) ordinary administrative expenses of the Committee that are necessary and appropriate in carrying out its duties.

Without limiting the generality of the foregoing statements, the Committee shall have authority, including budgetary and fiscal authority, and is entrusted with the responsibility to perform the following actions:

##### 1. Executive Compensation

- Periodically review the Company's compensation philosophy and how the pay programs align with philosophy, especially in relation to the Company's business goals and strategies, determine whether any change is needed or desired, and if so, modify and revise the Company's compensation philosophy or compensation programs, plans or awards accordingly.
- Annually review market data to assess the Company's competitive position for each component of executive compensation (especially base salary, annual incentives, long-term incentives and benefits) by reviewing appropriate peer companies' market data compiled by third party consultants.

- Approve, subject where appropriate, to submission to stockholders, all equity-related plans (including specific provisions), including those in which the Company's executive officers and any others subject to the reporting and short-swing liability provisions of Section 16 of the Securities Exchange Act of 1934 are participants, and perform such acts and duties as are necessary to administer such plans pursuant to their terms and conditions and in conformance with any further restrictions placed thereon by the Board, including, but not limited to the following:
  - Approving equity incentive guidelines and the general size of overall grants;
  - Approving specific grants to Company executive officers and any others subject to the reporting and short-swing liability provisions of Section 16 of the Securities Exchange Act of 1934;
  - Amending or interpreting the plans;
  - Determining rules and regulations relating to the plans;
  - Designating categories of employees eligible to participate in the plans;
  - Imposing limitations, restrictions and conditions upon any award as the Committee deems appropriate; and
  - Establishing, maintaining, revising and rescinding rules and regulations relating to the plans;
 

provided, that from time to time the Committee may, by resolution of the Committee, delegate to one or more other members of the Board separate but concurrent authority, to the extent specified in such resolution, to administer the plans with respect to employees and consultants who are not subject to the reporting and short-swing liability provisions of Section 16 of the Securities Exchange Act of 1934.
- Review annually and determine the individual elements of the total compensation and benefits paid to each of the Company's officers other than the CEO (whose compensation shall be determined as described below) after (a) determining such compensation and benefits to be appropriate for the size of the Company and the scope and performance of the officers' duties and responsibilities, (b) considering the recommendation made by the CEO for the compensation of such officers, and (c) discussing the CEO's review, if any, of each such officer.
- Approve, and periodically review the terms of any employment contract, severance agreements or change of control agreements for individuals or groups of employees.
- Recommend to the Board stock ownership requirements for the Company's officers.

## 2. CEO Performance and Compensation Evaluation

- Annually review the CEO's performance in meeting corporate goals and objectives and determine the CEO's individual elements of total compensation and benefits, taking into consideration market data compiled by third-party consultants, the performance of the CEO, and such other criteria as the Committee deems appropriate.

- Review and approve annually specific corporate goals and objectives relative to CEO compensation for the next year, and discuss with the other independent directors.
- Review with the other independent directors the year-end evaluation of the CEO in meeting the goals and objectives previously set for that year.
- Prior to finalizing compensation for the CEO, review the Committee's intentions with the other independent directors and receive their input.

### 3. Director and Committee Compensation

- Periodically review and recommend to the full Board total compensation for each non-employee Director for services as a member of the Board and its Committees, and determine the terms and awards of any equity compensation for members of the Board.
- Recommend to the Board stock ownership requirements for the Directors.

### 4. Advisors

- The Committee may, in its sole discretion, retain, amend the engagement with, and terminate any compensation consultant to be used to assist in the evaluation of director, CEO or officer compensation. The Committee shall have sole authority to approve the consultant's fees and other retention terms and shall have authority to cause the Company to pay the fees and expenses of such consultants.
- The Committee also may, in its sole discretion, obtain advice and assistance from internal or independent legal, accounting or other advisors, and shall have authority to approve the fees and expenses of such independent legal, accounting or other advisors, and to cause the Company to pay the fees and expenses of such advisors.
- The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, independent legal, accounting or other advisors retained by the Committee. Prior to selecting any such compensation consultant, legal, accounting or other advisors, the Committee shall take into consideration such factors as may be required under applicable listing standards of the NYSE and regulations of the SEC, and such other factors as it deems relevant.

### 5. CEO and Senior Management Succession Planning

- Oversee the plan for CEO and other officer succession and development of potential CEO and officer candidates.
- Periodically review the effectiveness of the plan for CEO and officer succession, including critical evaluations of current executives and potential officer candidates.
- Regularly report to the Board on the Committee's succession planning activities and work with the Board to nominate and evaluate potential successors to the CEO, COO and CFO.
- At least annually, update the Board of Directors regarding the current succession plan.

## 6. Proxy Statement Disclosure

- Provide the discussion and analysis to be included in, and oversee the drafting of the Compensation Discussion and Analysis (the "CD&A") portion of the Company's proxy statement for its annual meeting of stockholders; and review and discuss the CD&A with management and based on such review and discussion, recommend to the Board that the CD&A be included in such proxy statement.
- Annually issue the Committee report required to be included in the Company's proxy statement for its annual meeting of stockholders.

*As adopted by the Board of Directors on May 19, 2016.*