

Plan of Allocation

- 1.1.** As soon as administratively feasible after the Effective Date, the Settlement Administrator shall cause the Distributable Settlement Amount to be allocated and distributed to (i) Authorized Former Participants, and their Beneficiaries or Alternate Payees, as applicable, and to (ii) the Plan for distribution to Current Participants, and their Beneficiaries or Alternate payees, as applicable in accordance with this Plan of Allocation.
- 1.2.** To be eligible for a distribution from the Distributable Settlement Amount, a person must be an Authorized Former Participant, a Current Participant, or a Beneficiary or Alternate Payee of such a person. Current Participants shall receive their Settlement payments in the form of a credit to their Plan accounts as described in this Plan of Allocation, as of the date of the Settlement payments. Authorized Former Participants shall receive their Settlement payments in the form of checks as described in this Plan of Allocation.
- 1.3.** Beneficiaries will receive checks as described in this Plan of Allocation in amounts corresponding to their entitlement as Beneficiaries of a deceased Current Participant or of a deceased Authorized Former Participant with respect to which the payment is made. Alternate Payees will receive checks if and to the extent they are entitled to receive a portion of a Current Participant's or Authorized Former Participant's allocation under this Plan of Allocation pursuant to the terms of an applicable Qualified Domestic Relations Order ("QDRO"). The Settlement Administrator shall have sole and final discretion to determine the amounts to be paid to Beneficiaries and Alternate Payees in accordance with this Plan of Allocation and as ordered by the Court. It shall be solely responsible for performing any calculations required by this Plan of Allocation.
- 1.4.** Payments to Authorized Former Participants and Current Participants shall be calculated by the Settlement Administrator pursuant to the Plan of Allocation as follows:
 - 1.4.1.** The Settlement Administrator shall obtain the following information from the Plan, through its former recordkeeper or otherwise: the year-end account balances for all Settlement Class Members during the Class Period.
 - 1.4.2.** The Settlement Administrator shall obtain, in writing, an agreement between Class Counsel and the Settlement Administrator on the Distributable Settlement Amount.
 - 1.4.3.** The Distributable Settlement Amount will be divided among the Settlement Class Members on a pro rata basis in proportion to each Settlement Class Member's average year-ending Plan account balance over the Class Period, starting with December 31, 2011 and ending with December 31, 2018.

- 1.4.4.** No payment to any Settlement Class Member shall be smaller than ten dollars (\$10.00). Any Settlement Class Member whose allocation pursuant to Paragraph 1.4.3 is less than ten dollars (\$10.00) shall receive a payment of ten dollars (\$10.00). After performing the initial calculation pursuant to Paragraph 1.4.3, the Settlement Administrator shall debit, pro rata, the payments to Settlement Class Members that exceed \$10.00 to bring the payment to any Settlement Class Member that is smaller than ten dollars (\$10.00) up to ten dollars (\$10.00).
- 1.4.5.** The Settlement Administrator shall utilize the calculations required to be performed herein for (i) making the required distributions to Authorized Former Participants; and (ii) instructing Defendants as to the amounts to be distributed to Current Participants and calculating the total amount to deposit in the Plan to fulfill this instruction.
- 1.4.6.** Unless the Settling Parties agree in writing, the total amount of all checks to be written by the Settlement Administrator plus the total amount of all credits that Defendants are instructed to make to Current Participants may not exceed the Distributable Settlement Amount. In the event that the Settlement Administrator determines that this Plan of Allocation would otherwise require payments exceeding the Distributable Settlement Amount, the Settlement Administrator is authorized to make such changes as are necessary to this Plan of Allocation such that said totals do not exceed the Distributable Settlement Amount.
- 1.5.** The Settlement Administrator shall complete all payment calculations for all Current Participants and Authorized Former Participants within sixty (60) calendar days after the Effective Date.
- 1.6.** Within two (2) business days after the Settlement Administrator has completed all payment calculations for all Current Participants, the Settlement Administrator will provide the Company with an Excel spreadsheet containing the following information: last name, first name, Social Security number, and the amount of the Settlement payment (with no "\$" sign or comma) for each of the Current Participants. Thereafter, within ten (10) business days' written notice to the Company, the Settlement Administrator shall effect a transfer from the Qualified Settlement Fund to the Plan's trustee of the aggregate amount of all Settlement payments payable to Current Participants. The Company (or its designee) shall direct the Plan's trustee to credit the individual Plan account of each Current Participant in an amount equal to that stated on the spreadsheet provided by the Settlement Administrator in relation to such Current Participant. The Settlement payment for each Current Participant will be invested in accordance with such Current Participant's investment elections then on file. If there is no investment election on file for any Current Participant, then such Current Participant shall be

deemed to have directed such payment to be invested in the Plan's "Qualified Default Investment Alternative," as defined in 29 C.F.R. § 2550.404c-5. The Plan's current recordkeeper shall process all Current Participant transactions within thirty (30) calendar days of the later of the funds being received by the Plan's trustee and the Plan's recordkeeper receiving final direction from the Pioneer Natural Resources USA Inc. 401(K) and Matching Plan Committee (the "Committee") (or its designee) for any Current Participant. The Plan may be amended, to the extent necessary, to reflect the Settlement allocation to Current Participants' accounts in accordance with this Plan of Allocation.

- 1.7.** If, as of the date when distributions pursuant to this Settlement Agreement are made, a Current Participant no longer has an Active Account, he or she will be treated as an Authorized Former Participant for purposes of the Settlement distribution only and will receive his or her payment from the Settlement Administrator in one Settlement check as described in Paragraph 1.8. A Current Participant who no longer has an Active Account on the date of his or her Settlement distribution need not complete a Former Participant Claim Form. Settlement payments that cannot be made by the Plan's trustee within thirty (30) calendar days of receiving direction from the Committee (or its designee) because the Settlement Class Member no longer has an Active Account shall be deposited in the Plan account for the purpose of defraying administrative fees and expenses of the Plan that would otherwise be charged to the Plan's participants.
- 1.8.** For each Authorized Former Participant, the Settlement Administrator will issue a single check from the Qualified Settlement Fund and mail it to the address of such Authorized Former Participant listed in his or her Former Participant Claim Form or, in the case of ambiguity or uncertainty, to the address of such person as determined by the Settlement Administrator using commercially reasonable means. The Settlement Administrator shall: (i) calculate and withhold any applicable taxes from Settlement payments to Authorized Former Participants; (ii) report such payments and remit such tax withholdings to the Internal Revenue Service and applicable state revenue agents; and (iii) issue appropriate tax forms to the Authorized Former Participants.
- 1.9.** This Plan of Allocation is based upon preliminary data regarding the Settlement Class Members who may be entitled to Settlement payments. If the Settlement Administrator concludes that it is impracticable to implement any provision of this Plan of Allocation, the Settling Parties will modify promptly the terms of this Plan of Allocation and present such modified terms to the Court for its approval. Direct mailed notice to Settlement Class Members of such proposed modification of the Plan of Allocation shall not be required. However, notice of such proposed modification shall be posted on the Settlement Website within five (5) business days of the date that the proposed modification is submitted to the Court for its approval. If the proposed modification is implemented, notice of such modification shall be posted on the Settlement Website within five (5) business days of the date

that the modification was implemented.

- 1.10.** Within ten (10) business days of completing all aspects of this Plan of Allocation, the Settlement Administrator shall send to Class Counsel, Defense Counsel, and Defendants one or more affidavits stating the following: (i) the name of each Settlement Class Member to whom the Settlement Administrator sent the Notice or the Former Participant Claim Form, and the address of such mailing; (ii) the date(s) upon which the Settlement Administrator sent the Notice or the Former Participant Claim Form; (iii) the name of each Settlement Class Member whose Settlement Notice or Former Participant Claim Form was returned as undeliverable; (iv) the efforts made by the Settlement Administrator to find the correct address and to deliver the Notice or Former Participant Claim Form for each such Settlement Class Member; and (v) the name of each Settlement Class Member to whom the Settlement Administrator made a distribution from the Distributable Settlement Amount, together with the amount of the distribution, the name of the payee, the date of distribution, the amount of tax withholdings, if applicable, and the date of remittance of tax withholdings to the appropriate tax authority, if applicable. The Settling Parties shall treat the affidavit(s) as confidential.
- 1.11.** The Settling Parties acknowledge that any payments to Settlement Class Members or their attorneys may be subject to applicable tax laws. Defendants, Defendants' Counsel, Class Counsel, and Plaintiffs will provide no tax advice to the Settlement Class Members and make no representation regarding the tax consequences of any of the Settlement payments described in this Settlement Agreement. To the extent that any portion of any Settlement payment is subject to income or other tax, the recipient of the payment shall be responsible for payment of such tax. Deductions will be made, and reporting will be performed by the Settlement Administrator, as required by law in respect of all payments made under the Settlement Agreement. Payments from the Qualified Settlement Fund shall not be considered to be wages by the Settling Parties.
- 1.12.** Each Settlement Class Member who receives a payment under the Settlement Agreement shall be fully and ultimately responsible for payment of any and all federal, state, or local taxes resulting from or attributable to the payment received by such person. Each Settlement Class Member shall hold Defendants, Defendants' Counsel, Class Counsel, and the Settlement Administrator harmless from any tax liability, including penalties and interest, related in any way to payments under the Settlement Agreement, and shall hold Defendants, Defendants' Counsel, Class Counsel, and the Settlement Administrator harmless from the costs (including, for example, attorneys' fees and disbursements) of any proceedings (including, for example, investigation and suit), related to such tax liability.
- 1.13.** All checks issued pursuant to this Plan of Allocation shall expire no later than ninety (90) days after their issue date. Checks older than ninety (90) days will be

void, and the Settlement Administrator shall be instructed to return any such funds to the Escrow Account.

- 1.14.** To the extent funds remain in the Escrow Account as a result of any uncashed checks by Authorized Former Participants and the remainder exceeds \$5,000, such funds will be electronically distributed to Current Participants on a pro rata basis in proportion to each Current Participant's average year-ending Plan account balance over the Class Period (for purposes of any second distribution to Current Participants described in this Paragraph 1.14, the \$10 minimum payment described in Paragraph 1.4.4 shall not apply). To the extent the remainder in the Escrow Account is less than \$5,000, the remainder will be electronically deposited in the Plan's suspense account and utilized to defray expenses to Plan participants.
- 1.15.** Any funds associated with checks that are not cashed within ninety (90) days of issuance and any funds that cannot be distributed to Settlement Class Members for any other reason, together with any interest earned on them, and after the payment of any applicable taxes by the Escrow Agent, shall be returned to the Escrow Account by the Settlement Administrator to be distributed as described in Paragraph 1.14.