THE FOUNDATION FOR SECURE MARKETS

#48164

DATE: **JANUARY 14, 2021**

SUBJECT: **PXD1 OPTIONS - EXPIRATION PRICING CONSIDERATION**

PXD1 (adjusted Parsley Energy, Inc. options) will be subject to special pricing consideration in expiration processing on January 15, 2021. The pricing consideration is due to the undetermined cash in lieu of fractional shares amount included in the option deliverable of PXD1 as indicated below. These options will continue to be subject to normal exercise based on customary exercise thresholds in OCC's Ex-by-Ex processing.

MEMBERS SHOULD ADVISE THEIR CUSTOMERS TO TAKE THE FOLLOWING CONSIDERATIONS INTO ACCOUNT IN DECIDING TO EXERCISE, OR NOT TO EXERCISE, THESE OPTIONS.

PXD1

PXD1 options are adjusted Parsley Energy, Inc. options, adjusted January 13, 2021 (see OCC Information Memo #48155). The deliverable of PXD1 options is:

NEW DELIVERABLE PER CONTRACT:	1) 12 Pioneer Natural Resources Company (PXD) Common Shares 2) Cash in lieu of 0.52 fractional PXD Common Shares

As of January 14, 2021, the PE Exchange Agent has not determined the price to be used to determine the cash in lieu amount.

For purposes of calculating a PXD1 price for use in expiration processing, OCC will use the following formula:

PXD1 = 0.1252 (PXD)

For example, if PXD closes at 130.93, the PXD1 price would be:

PXD1 = 0.1252 (130.93) = 16.39

This formula includes an estimate for the value of the cash in lieu amount and not the actual amount applicable in the merger.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email investorservices@theocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.