

PIONEER NATURAL RESOURCES CO
Form 10-K/A
March 01, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
Amendment No. 1

/x/ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2011

or

// TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number: 1-13245
Pioneer Natural Resources Company
(Exact name of registrant as specified in its charter)

Delaware 75-2702753
(State or other jurisdiction of incorporation (I.R.S. Employer
or organization) Identification No.)

5205 N. O'Connor Blvd., Suite 200, Irving, 75039
Texas
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (972) 444-9001

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

Aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter \$10,243,708,609

Number of shares of Common Stock outstanding as of February 24, 2012 123,260,358

DOCUMENTS INCORPORATED BY REFERENCE:

(1) Proxy Statement for the 2012 Annual Meeting of Shareholders to be held during May 2012 — Referenced in Part III of this report.

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Explanatory Note

Pioneer Natural Resources Company (the "Company") is filing this Amendment No. 1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2011, filed with the Securities and Exchange Commission on February 29, 2012 (the "Initial Form 10-K"), solely to amend Item 15(b) to re-file Exhibit 12.1 "Computation of Ratios of Earnings to Fixed Charges and Earnings to Fixed Charges and Preferred Stock Dividends" to correct the ratio of earnings to fixed charges and ratio of earnings to fixed charges and preferred stock dividends for the year ended December 31, 2011. This amendment does not otherwise change or update the disclosures set forth in the Initial Form 10-K and does not otherwise reflect events occurring after the filing of the Initial Form 10-K.

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) Listing of Financial Statements

Financial Statements

The following consolidated financial statements of the Company are included in "Item 8. Financial Statements and Supplementary Data":

- Report of Independent Registered Public Accounting Firm
- Consolidated Balance Sheets as of December 31, 2011 and 2010
 - Consolidated Statements of Operations for the Years Ended December 31, 2011, 2010 and 2009
- Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2011, 2010 and 2009
 - Consolidated Statements of Cash Flows for the Years Ended December 31, 2011, 2010 and 2009
- Consolidated Statements of Comprehensive Income (Loss) for the Years Ended December 31, 2011, 2010 and 2009
 - Notes to Consolidated Financial Statements
 - Unaudited Supplementary Information

(b) Exhibits

The exhibits to this Report required to be filed pursuant to Item 15(b) are listed below and in the "Exhibit Index" attached hereto.

(c) Financial Statement Schedules

No financial statement schedules are required to be filed as part of this Report or they are inapplicable.

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Exhibits

Exhibit Number	Description
2.1	— Purchase and Sale Agreement by and between Pioneer as Seller and Marubeni Offshore Production (USA) Inc. as Purchaser (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on February 28, 2006).
2.2*	— Agreement for the Sale and Purchase of the Entire Issued Share Capital of Pioneer Natural Resources Anaguid Ltd. and Pioneer Natural Resources Tunisia Ltd. between Pioneer Natural Resources USA, Inc. and OMV (Tunesien) Production GmbH dated January 6, 2011 (incorporated by reference to Exhibit 2.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2010, File No. 1-13245).
3.1	— Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-4, dated June 27, 1997, Registration No. 333-26951).
3.2	— Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on November 17, 2006).
4.1	— Form of Certificate of Common Stock, par value \$.01 per share, of the Company (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-4, dated June 27, 1997, Registration No. 333-26951).
4.2	— Indenture dated January 13, 1998, between the Company and The Bank of New York, as trustee (incorporated by reference to Exhibit 99.1 to the Company's and Pioneer USA's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on January 14, 1998).
4.3	— First Supplemental Indenture dated as of January 13, 1998, among the Company, Pioneer USA, as the subsidiary guarantor, and The Bank of New York, as trustee, with respect to the indenture identified above as Exhibit 4.5 (incorporated by reference to Exhibit 99.2 to the Company's and Pioneer USA's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on January 14, 1998).
4.4	— Second Supplemental Indenture dated as of April 11, 2000, among the Company, Pioneer USA, as the subsidiary guarantor, and The Bank of New York, as trustee, with respect to the indenture identified above as Exhibit 4.5 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2000, File No. 1-13245).
4.5	— Third Supplemental Indenture dated as of April 30, 2002, among the Company, Pioneer USA, as the subsidiary guarantor, and The Bank of New York, as trustee, with respect to the indenture identified above as Exhibit 4.5 (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2002, File No. 1-13245).
4.6	— Fourth Supplemental Indenture dated as of July 15, 2004, among the Company and The Bank of New York, as trustee, with respect to the indenture identified above as Exhibit 4.5 (incorporated by reference to Exhibit 99.1 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on July 19, 2004).
4.7	— Fifth Supplemental Indenture dated as of July 15, 2004, among the Company, Pioneer USA, as the subsidiary guarantor, and The Bank of New York, as trustee, with respect to the indenture identified above as Exhibit 4.5 (incorporated by reference to Exhibit 99.2 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on July 19, 2004).
4.8	— Sixth Supplemental Indenture, dated as of May 1, 2006, among the Company, Pioneer Natural Resources USA, Inc. and The Bank of New York Trust Company, N.A., as Trustee, with respect to

the indenture identified above as Exhibit 4.5 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on May 4, 2006).

- 4.9 — Seventh Supplemental Indenture, dated as of March 12, 2007, among the Company, Pioneer Natural Resources USA, Inc., The Bank of New York Trust Company, N.A, as original trustee under the indenture, and Wells Fargo Bank, National Association, as series trustee, with respect to the indenture identified above as Exhibit 4.5 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on March 12, 2007).
- 4.10 — Indenture dated January 22, 2008 between the Company and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on January 22, 2008).

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- 4.11 — First Supplemental Indenture dated January 22, 2008 by and among the Company, Pioneer USA and Wells Fargo Bank, National Association, as trustee, with respect to the indenture identified above as Exhibit 4.19 (incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on January 22, 2008).
- 4.12 — Second Supplemental Indenture dated November 9, 2009 by and among the Company, Pioneer USA and Wells Fargo Bank, National Association, as trustee, with respect to the indenture identified above as Exhibit 4.19 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on November 13, 2009).
- 10.1H — The Company's Long-Term Incentive Plan (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-8, Registration No. 333-35087, filed with the SEC on September 8, 1997).
- 10.2H — First Amendment to the Company's Long-Term Incentive Plan, effective as of November 23, 1998 (incorporated by reference to Exhibit 10.72 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999, File No. 1-13245).
- 10.3H — Amendment No. 2 to the Company's Long-Term Incentive Plan, effective as of May 20, 1999 (incorporated by reference to Exhibit 10.73 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999, File No. 1-13245).
- 10.4H — Amendment No. 3 to the Company's Long-Term Incentive Plan, effective as of February 17, 2000 (incorporated by reference to Exhibit 10.76 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999, File No. 1-13245).
- 10.5H — Amendment No. 4 to the Company's Long-Term Incentive Plan, effective as of November 20, 2003 (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, File No. 1-13245).
- 10.6H — Amendment No. 5 to the Company's Long-Term Incentive Plan, effective as of May 12, 2004 (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, File No. 1-13245).
- 10.7H — Amendment No. 6 to the Company's Long-Term Incentive Plan, effective as of December 17, 2004 (incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, File No. 1-13245).
- 10.8H — Amendment No. 7 to the Company's Long Term Incentive Plan effective November 20, 2008 (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on November 25, 2008).
- 10.9H — Form of Omnibus Nonstatutory Stock Option Agreement for Option Award Participants with respect to grants under the Company's Long-Term Incentive Plan (Group 1) (incorporated by reference to Exhibit 10.20 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, File No. 1-13245).
- 10.10H — Pioneer Natural Resources Company Employee Stock Purchase Plan, as amended and restated effective September 1, 2007 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2007, File No. 1-13245).
- 10.11H — The Company's Executive Deferred Compensation Plan, Amended and Restated Effective as of August 1, 2002 (incorporated by reference to Exhibit 10.15 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, File No. 1-13245).
- 10.12H — Amendment No. 1 to the Company's Executive Deferred Compensation Plan, effective as of January 1, 2007 (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2006, File No. 1-13245).
- 10.13H —

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Pioneer USA 401(k) and Matching Plan, Amended and Restated Effective as of January 1, 2008 (incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K for the year ended December 31, 2008, File No. 1-13245).

- 10.14H — First Amendment to the Pioneer USA 401(k) and Matching Plan, effective January 1, 2009 (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009, File No. 1-13245).
- 10.15H — Amendment No. 2 to the Pioneer Natural Resources USA, Inc. 401(k) and Matching Plan, effective January 1, 2009 (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, File No. 1-13245).
- 10.16H — Amendment No. 3 to the Pioneer Natural Resources USA, Inc. 401(k) and Matching Plan, executed October 28, 2009 effective as of the dates specified therein (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, File No. 1-13245).

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- 10.17H — Amendment No. 4 to the Pioneer Natural Resources USA, Inc. 401(k) and Matching Plan, effective January 1, 2010 (incorporated by reference to Exhibit 10.19 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009, File No. 1-13245).
- 10.18H (a)— Amendment No. 5 to the Pioneer Natural Resources USA, Inc. 401(k) and Matching Plan, executed December 12, 2011.
- 10.19H (a)— Amendment No. 6 to the Pioneer Natural Resources USA, Inc. 401(k) and Matching Plan, executed January 12, 2012.
- 10.20 — Second Amended and Restated 5-Year Revolving Credit Agreement dated as of March 31, 2011, among the Company, as Borrower, Wells Fargo Bank, National Association, as Administrative Agent, and certain other lenders (incorporated by reference to exhibit 10.1 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on April 5, 2011).
- 10.21 — Production Payment Purchase and Sale Agreement dated as of January 26, 2005 among the Company, as the Seller, and Royalty Acquisition Company, LLC, as the Buyer (related to Spraberry oil) (incorporated by reference to Exhibit 99.3 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on February 1, 2005).
- 10.22H — Indemnification Agreement between the Company and Scott D. Sheffield, together with a schedule identifying other substantially identical agreements between the Company and each of its non-employee directors and executive officers identified on the schedule and identifying the material differences between each of those agreements and the filed Indemnification Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on August 27, 2009).
- 10.23H — Severance Agreement dated August 16, 2005, between the Company and Scott D. Sheffield, together with a schedule identifying other substantially identical agreements between the Company and each of its executive officers identified on the schedule and identifying the material differences between each of those agreements and the filed Severance Agreement (incorporated by reference to Exhibit 10.24 to the Company's Annual Report on Form 10-K for the year ended December 31, 2007, File No. 1-13245).
- 10.24H — Amended and restated Severance Agreement dated February 17, 2010, between the Company and David McManus (incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K for the year ended December 31, 2009).
- 10.25H — Change in Control Agreement, dated August 16, 2005, between the Company and Scott D. Sheffield, together with a schedule identifying other substantially identical agreements between the Company and each of its executive officers identified on the schedule and identifying the material differences between each of those agreements and the filed Change in Control Agreement (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on August 17, 2005).
- 10.26H — Change in Control Agreement, dated August 10, 2005, between the Company and William F. Hannes (incorporated by reference to Exhibit 10.38 to the Company's Annual Report on Form 10-K for the year ended December 31, 2005, File No. 1-13245).
- 10.27H — Form of Change in Control Agreement dated September 10, 2005, between the Company and each of Jay P. Still and David McManus (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on January 14, 2008).
- 10.28H — Pioneer Natural Resources Company 2006 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on May 9, 2006).

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- 10.29H — First Amendment to the Pioneer Natural Resources Company 2006 Long Term Incentive Plan effective November 20, 2008 (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on November 25, 2008).
- 10.30H — Second Amendment to the Pioneer Natural Resources Company 2006 Long Term Incentive Plan effective May 28, 2009 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on May 28, 2009).
- 10.31H — Third Amendment to the Pioneer Natural Resources Company 2006 Long Term Incentive Plan effective January 1, 2009 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on June 18, 2009).

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- 10.32H — Fourth Amendment to the Pioneer Natural Resources Company 2006 Long Term Incentive Plan effective January 1, 2009 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on June 18, 2009).
- 10.33H — Form of restricted stock unit Award Agreement for non-employee directors with respect to grants under the Company's 2006 Long-Term Incentive Plan, together with a schedule identifying substantially identical agreements between the Company and each of its non-employee directors identified on the schedule and identifying the material differences between each of those agreements and the filed Award Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on May 9, 2006).
- 10.34H — Form of Restricted Stock Unit Agreement for Non-Employee Directors to be used in connection with annual equity awards under the Company's 2006 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2010, File No. 1-13245).
- 10.35H — Form of Restricted Stock Award Agreement between the Company and each of Scott D. Sheffield and Timothy L. Dove, with respect to awards made under the Company's 2006 Long-Term Incentive Plan, together with a schedule identifying other substantially identical agreements between the Company and each of its other executive officers and identifying the material differences between each of those agreements and the filed Restricted Stock Award Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on March 2, 2007).
- 10.36 — First Amended and Restated Agreement of Limited Partnership of Pioneer Southwest Energy Partners L.P. dated May 6, 2008, between Pioneer Natural Resources GP LLC, as the General Partner, and Pioneer Natural Resources USA, Inc., as the Organizational Limited Partner, together with any other persons who become Partners (as defined in such agreement) in the Partnership (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K of Pioneer Southwest Energy Partners L.P., File No. 001-34032, filed with the SEC on May 9, 2008).
- 10.37 — Administrative Services Agreement, dated effective May 6, 2008, among Pioneer Natural Resources GP LLC, Pioneer Southwest Energy Partners L.P., Pioneer Southwest Energy Partners USA LLC, and Pioneer Natural Resources USA, Inc. (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K, of Pioneer Southwest Energy Partners L.P., File No. 001-34032, filed with the SEC on May 9, 2008).
- 10.38 — Credit Agreement entered into as of October 29, 2007, among Pioneer Southwest Energy Partners L.P., as the Borrower, Bank of America, N.A., as Administrative Agent, and certain other lenders (incorporated by reference to Exhibit 10.1 to the Registration Statement on Form S-1 (No. 333-144868) of Pioneer Southwest Energy Partners L.P. and incorporated herein by reference).
- 10.39 — Amendment to Credit Agreement dated as of December 14, 2007, among Pioneer Southwest Energy Partners L.P., as the Borrower, Bank of America, N.A., as Administrative Agent, and certain other lenders (incorporated by reference to Exhibit 10.8 to the Registration Statement on Form S-1 (No. 333-144868) of Pioneer Southwest Energy Partners L.P. and incorporated herein by reference).
- 10.40 — Second Amendment to Credit Agreement dated as of February 15, 2008, among Pioneer Southwest Energy Partners L.P., as the Borrower, Bank of America, N.A., as Administrative Agent, and certain other lenders (incorporated by reference to Exhibit 10.13 to the Registration Statement on Form S-1 (No. 333-144868) of Pioneer Southwest Energy Partners L.P. and incorporated herein by reference).
- 10.41 — Third Amendment to Credit Agreement dated as of April 15, 2008, among Pioneer Southwest Energy Partners L.P., as the Borrower, Bank of America, N.A., as Administrative Agent, and certain other lenders (incorporated by reference to Exhibit 10.15 to the Registration Statement on Form S-1 (No.

- 333-144868) of Pioneer Southwest Energy Partners L.P. and incorporated herein by reference).
- 10.42 — Limited Waiver Regarding Credit Agreement, entered into as of March 26, 2009, among Pioneer Southwest Energy Partners L.P., as the Borrower, Bank of America, N.A., as Administrative Agent, and the other lenders signatory thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Pioneer Southwest Energy Partners L.P., File No. 001-34032, filed with the SEC on March 31, 2009).

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- 10.43H — Severance Agreement, dated May 19, 2008, between the Company and Frank W. Hall (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008, File No. 1-13245).
- 10.44H — Change in Control Agreement, dated May 19, 2008, between the Company and Frank W. Hall (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2008, File No. 1-13245).
- 10.45H — Form of Amendment to Severance Agreement dated November 20, 2008, between the Company and each of Scott D. Sheffield and Timothy L. Dove (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on November 25, 2008).
- 10.46H — Form of Amendment to Severance Agreement dated November 20, 2008, between the Company and each executive officer of the Company other than Scott D. Sheffield and Timothy L. Dove (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on November 25, 2008).
- 10.47H — Form of Amendment to Change in Control Agreement, dated November 20, 2008, between the Company and each of Scott D. Sheffield and Timothy L. Dove (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on November 25, 2008).
- 10.48H — Form of Amendment to Change in Control Agreement, dated November 20, 2008, between the Company and each executive officer of the Company other than Scott D. Sheffield and Timothy L. Dove (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K, File No. 1-13245, filed with the SEC on November 25, 2008).
- 10.49H — Accelerated Return Notes® TS-5

Accelerated
Return Notes®
Linked to the
EURO STOXX
50® Index, due
August , 2019

Risk Factors

There are important differences between the notes and a conventional debt security. An investment in the notes involves significant risks, including those listed below. You should carefully review the more detailed explanation of risks relating to the notes in the Risk Factors sections beginning on page PS-6 of product supplement EQUITY INDICES ARN-1, page S-4 of the Series A MTN prospectus supplement, and page 7 of the prospectus identified above. We also urge you to consult your investment, legal, tax, accounting, and other advisors before you invest in the notes.

Depending on the performance of the Index as measured shortly before the maturity date, your investment may result in a loss; there is no guaranteed return of principal.

Your return on the

notes may be less than the yield you could earn by owning a conventional fixed or floating rate debt security of comparable maturity.

Payments on the notes are subject to our credit risk, and the credit risk of BAC, and actual or perceived changes in our or BAC's creditworthiness are expected to affect the value of the notes. If we and BAC become insolvent or are unable to pay our respective obligations, you may lose your entire investment.

Your investment return is limited to the return represented by the Capped Value and may be less than a comparable investment directly in the stocks included in the Index.

We are a finance subsidiary and, as such, will have limited assets and operations.

BAC's obligations under its guarantee of the notes will be structurally subordinated to liabilities of its subsidiaries.

The notes issued by us will not have the

benefit of any cross-default or cross-acceleration with other indebtedness of BofA Finance or BAC; events of bankruptcy or insolvency or resolution proceedings relating to BAC and covenant breach by BAC will not constitute an event of default with respect to the notes. The initial estimated value of the notes considers certain assumptions and variables and relies in part on certain forecasts about future events, which may prove to be incorrect. The initial estimated value of the notes is an estimate only, determined as of a particular point in time by reference to our and our affiliates' pricing models. These pricing models consider certain assumptions and variables, including our credit spreads and those of BAC, BAC's internal funding rate on the pricing date, mid-market terms on hedging transactions, expectations on interest rates and volatility,

price-sensitivity analysis, and the expected term of the notes. These pricing models rely in part on certain forecasts about future events, which may prove to be incorrect.

The public offering price you pay for the notes will exceed the initial estimated value. If you attempt to sell the notes prior to maturity, their market value may be lower than the price you paid for them and lower than the initial estimated value. This is due to, among other things, changes in the level of the Index, BAC's internal funding rate, and the inclusion in the public offering price of the underwriting discount and the hedging related charge, all as further described in

Structuring the Notes on page TS-11. These factors, together with various credit, market and economic factors over the term of the notes, are expected to reduce the price at which you may be able to sell the notes in any secondary market

and will affect the value of the notes in complex and unpredictable ways. The initial estimated value does not represent a minimum or maximum price at which we, BAC, MLPF&S or any of our other affiliates would be willing to purchase your notes in any secondary market (if any exists) at any time. The value of your notes at any time after issuance will vary based on many factors that cannot be predicted with accuracy, including the performance of the Index, our and BAC's creditworthiness and changes in market conditions. A trading market is not expected to develop for the notes. None of us, BAC or MLPF&S is obligated to make a market for, or to repurchase, the notes. There is no assurance that any party will be willing to purchase your notes at any price in any secondary market. Your return on the notes may be affected by factors affecting the international securities markets,

specifically changes within the Eurozone. The Eurozone is and has been undergoing severe financial stress, and the political, legal and regulatory ramifications are impossible to predict. Changes within the Eurozone could adversely affect the performance of the Index and, consequently, the value of the notes. In addition, you will not obtain the benefit of any increase in the value of the euro against the U.S. dollar, which you would have received if you had owned the securities in the Index during the term of your notes, although the level of the Index may be adversely affected by general exchange rate movements in the market. BAC and its affiliates' hedging and trading activities (including trades in shares of companies included in the Index) and any hedging and trading activities BAC or its affiliates engage in that are not for your account or on your behalf,

may affect the
market value and
return of the notes
and may create
conflicts of interest
with you.

The Index sponsor
may adjust the
Index in a way that
affects its level, and
has no obligation to
consider your
interests.

You will have no
rights of a holder of
the securities
represented by the
Index, and you will
not be entitled to
receive securities or
dividends or other
distributions by the
issuers of those
securities.

Accelerated TS-6
Return Notes®

Accelerated
Return Notes®
Linked to the
EURO STOXX
50® Index, due
August , 2019
While BAC
and our other affiliates
may from time to
time own securities
of companies
included in the
Index, we, BAC and
our other
affiliates do not
control any
company included
in the Index,
and have not verified any
disclosure made by
any other
company.
There may be
potential conflicts
of interest involving
the calculation
agent, which is an
affiliate of ours.
We have the right
to appoint and
remove the
calculation agent.
The U.S. federal
income tax
consequences of the
notes are uncertain,
and may be adverse
to a holder of the
notes. See
Summary Tax
Consequences
below and U.S.
Federal Income Tax
Summary beginning
on page PS-26 of
product supplement
EQUITY INDICES
ARN-1.
Other Terms of the

Notes

The provisions of this section supersede and replace the definition of Market Measure Business Day set forth in product supplement EQUITY INDICES ARN-1.

Market Measure

Business Day

A Market Measure Business Day means a day on which:

- (A) the Eurex (or any successor) is open for trading; and
- (B) the Index or any successor thereto is calculated and published.

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Return Notes®

Accelerated
Return Notes®
Linked to the
EURO STOXX
50® Index, due
August , 2019
The Index
All disclosures
contained in this term
sheet regarding the
Index, including,
without limitation,
its make-up, method
of calculation, and
changes in its
components, have
been derived from
publicly available
sources. The
information reflects
the policies of, and is
subject to change by,
STOXX Limited
(STOXX or Index
sponsor). STOXX,
which owns the
copyright and all other
rights to the Index, has
no obligation to
continue to publish,
and may discontinue
publication of, the
Index. The
consequences of
STOXX discontinuing
publication of the
Index are discussed in
the section of product
supplement EQUITY
INDICES
ARN-1 beginning on
page PS-20 entitled
Description of
ARNs—Discontinuance
of an Index. None of
us, BAC, the
calculation agent, or
MLPF&S accepts any
responsibility for the

calculation,
maintenance, or
publication of the
Index or any successor
index.

The Index was created
by STOXX, which
is part of the Deutsche
Börse

Group. Publication of
the Index began in
February 1998, based
on an initial Index
level of 1,000 at
December 31, 1991.

On March 1, 2010,
STOXX announced
the removal of the

Dow Jones prefix
from all of its indices,
including the Index.

**Index Composition
and Maintenance**

For each of the 19
EURO STOXX
regional supersector
indices, the stocks are
ranked in terms of
free-float market
capitalization. The
largest stocks are
added to the selection
list until the coverage
is close to, but still
less than, 60% of the
free-float market
capitalization of the
corresponding
supersector index. If
the next

highest-ranked stock
brings the coverage
closer to 60% in
absolute terms, then it
is also added to the
selection list. All
current stocks in the
Index are then added
to the selection list.

All of the stocks on
the selection list are

then ranked in terms of free-float market capitalization to produce the final index selection list.

The largest 40 stocks on the selection list are selected; the remaining 10 stocks are selected from the largest remaining current stocks ranked between 41 and 60; if the number of stocks selected is still below 50, then the largest remaining stocks are selected until there are 50 stocks. In

exceptional cases, STOXX's management board can add stocks to and remove them from the selection list.

The Index components are subject to a capped maximum index weight of 10%, which is applied on a quarterly basis.

The composition of the Index is reviewed annually, based on the closing stock data on the last trading day in August. Changes in the composition of the Index are made to ensure that the Index includes the 50 market sector leaders from within the EURO STOXX® Index.

The free float factors for each component stock used to calculate the Index, as described below, are reviewed, calculated, and implemented on a quarterly basis and are

fixed until the next quarterly review.

The Index is subject to a fast exit rule. The Index components are monitored for any changes based on the monthly selection list ranking. A stock is deleted from the Index if: (a) it ranks 75 or below on the monthly selection list and (b) it has been ranked 75 or below for a consecutive period of two months in the monthly selection list.

The highest-ranked stock that is not an index component will replace it. Changes will be implemented on the close of the fifth trading day of the month, and are effective the next trading day.

The Index is also subject to a fast entry rule. All stocks on the latest selection lists and initial public offering (IPO) stocks are reviewed for a fast-track addition on a quarterly basis. A stock is added, if (a) it qualifies for the latest STOXX blue-chip selection list generated end of February, May, August or November and (b) it ranks within the lower buffer on this selection list.

The Index is also reviewed on an ongoing monthly basis.

Corporate actions (including initial

public offerings, mergers and takeovers, spin-offs, delistings, and bankruptcy) that affect the Index composition are announced immediately, implemented two trading days later and become effective on the next trading day after implementation.

Index Calculation

The Index is calculated with the Laspeyres formula, which measures the aggregate price changes in the component stocks against a fixed base quantity weight. The formula for calculating the Index value can be expressed as follows:

$$\begin{aligned}
 & \text{EURO STOXX 50}^{\text{®}} \text{ Index} = \frac{\text{Free float market capitalization of the EURO STOXX 50}^{\text{®}} \text{ Index}}{\text{Divisor}}
 \end{aligned}$$

The free float market capitalization of the Index is equal to the sum of the product of the price, the number of shares and the free float factor and the weighting cap factor for each component stock as of the time the Index is being calculated. The Index is also subject to a divisor, which is adjusted to maintain the continuity of the Index values across changes

due to corporate actions, such as the deletion and addition of stocks, the substitution of stocks, stock dividends, and stock splits.

Neither we nor any of our affiliates, including the selling agent, accepts any responsibility for the calculation, maintenance, or publication of, or for any error, omission, or disruption in, the Index or any successor to the Index. STOXX does not guarantee the accuracy or the completeness of the Index or any data included in the Index.

STOXX assumes no liability for any errors, omissions, or disruption in the calculation and dissemination of the Index. STOXX disclaims all responsibility for any errors or omissions in the calculation and dissemination of the Index or the manner in which the Index is applied in determining the amount payable on the notes at maturity.

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Return Notes®

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Return Notes®
Linked to the
EURO STOXX
50® Index, due
August , 2019

The following graph shows the daily historical performance of the Index in the period from January 1, 2008 through May 18, 2018. We obtained this historical data from Bloomberg L.P.

We have not independently verified the accuracy or completeness of the information obtained from Bloomberg L.P. On May 18, 2018, the closing level of the Index was 3,573.76.

**Historical
Performance of the
Index**

This historical data on the Index is not necessarily indicative of the future performance of the Index or what the value of the notes may be. Any historical upward or downward trend in the level of the Index during any period set forth above is not an indication that the level of the Index is more or less likely to increase or decrease at any time over the term of the notes.

Before investing in the notes, you should

consult publicly
available sources for
the levels of the Index.

License Agreement

One of our affiliates
has entered into a
non-exclusive license
agreement with
STOXX providing for
the license to it and
certain of its affiliated
companies, including
us, in exchange for a
fee, of the right to use
indices owned and
published by STOXX
(including the Index)
in connection with
certain securities,
including the notes.
The license agreement
requires that the
following language be
stated in this term
sheet:

STOXX and its
licensors (the

Licensors) have no
relationship to us,
other than the
licensing of the Index
and the related
trademarks for use in
connection with the
notes. STOXX and its
Licensors do not:

- sponsor, endorse,
sell, or promote the
notes;
- recommend that any
person invest in the
notes or any other
securities;
- have any
responsibility or
liability for or make
any decisions about
the timing, amount,
or pricing of the
notes;

have any responsibility or liability for the administration, management, or marketing of the notes; or consider the needs of the notes or the holders of the notes in determining, composing, or calculating the Index, or have any obligation to do so.

STOXX and its Licensors will not have any liability in connection with the notes. Specifically: STOXX and its Licensors do not make any warranty, express or implied, and disclaims any and all warranty concerning: the results to be obtained by the notes, the holders of the notes or any other person in connection with the use of the Index and the data included in the Index; the accuracy or completeness of the Index and its data; the merchantability and the fitness for a particular purpose or use of the Index and its data; STOXX and its Licensors will have

no liability for any errors, omissions, or interruptions in the Index or its data; and Under no circumstances will STOXX be liable for any lost profits or indirect, punitive, special, or consequential damages or losses, even if STOXX or its Licensors knows that they might occur.

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Return Notes®

Accelerated
Return Notes[®]
Linked to the
EURO STOXX
50[®] Index, due
August , 2019
The licensing
agreement discussed
above is solely for our
benefit and that of
STOXX, and not for
the benefit of the
holders of the notes or
any other third parties.
Supplement to the
Plan of Distribution;
Conflicts of Interest
Under our distribution
agreement with
MLPF&S, MLPF&S
will purchase the
notes from us as
principal at the public
offering price
indicated on the cover
of this term sheet, less
the indicated
underwriting discount.
MLPF&S, a
broker-dealer
subsidiary of BAC, is
a member of the
Financial Industry
Regulatory Authority,
Inc. (FINRA) and will
participate as selling
agent in the
distribution of the
notes. Accordingly,
offerings of the notes
will conform to the
requirements of Rule
5121 applicable to
FINRA
members. MLPF&S
may not make sales in
this offering to any of
its discretionary
accounts without the

prior written approval of the account holder. We may deliver the notes against payment therefor in New York, New York on a date that is greater than two business days following the pricing date. Under Rule 15c6-1 of the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, if the initial settlement of the notes occurs more than two business days from the pricing date, purchasers who wish to trade the notes more than two business days prior to the original issue date will be required to specify alternative settlement arrangements to prevent a failed settlement. The notes will not be listed on any securities exchange. In the original offering of the notes, the notes will be sold in minimum investment amounts of 100 units. If you place an order to purchase the notes, you are consenting to MLPF&S acting as a principal in effecting the transaction for

your account. MLPF&S may repurchase and resell the notes, with repurchases and resales being made at prices related to then-prevailing market prices or at negotiated prices, and these will include MLPF&S's trading commissions and mark-ups. MLPF&S may act as principal or agent in these market-making transactions; however, it is not obligated to engage in any such transactions. At MLPF&S's discretion, for a short, undetermined initial period after the issuance of the notes, MLPF&S may offer to buy the notes in the secondary market at a price that may exceed the initial estimated value of the notes. Any price offered by MLPF&S for the notes will be based on then-prevailing market conditions and other considerations, including the performance of the Index and the remaining term of the notes. However, neither we nor any of our affiliates is obligated to purchase your notes at any price, or at any time, and we cannot assure you that we or any of

our affiliates will purchase your notes at a price that equals or exceeds the initial estimated value of the notes.

The value of the notes shown on your account statement will be based on MLPF&S's estimate of the value of the notes if MLPF&S or another of our affiliates were to make a market in the notes, which it is not obligated to do. That estimate will be based upon the price that MLPF&S may pay for the notes in light of then-prevailing market conditions and other considerations, as mentioned above, and will include transaction costs. At certain times, this price may be higher than or lower than the initial estimated value of the notes.

An investor's household, as referenced on the cover of this term sheet, will generally include accounts held by any of the following, as determined by MLPF&S in its discretion and acting in good faith based upon information then available to MLPF&S: the investor's spouse (including a domestic partner), siblings, parents,

grandparents,
spouse's parents,
children and
grandchildren, but
excluding accounts
held by aunts,
uncles, cousins,
nieces, nephews or
any other family
relationship not
directly above or
below the individual
investor;
a family investment
vehicle, including
foundations, limited
partnerships and
personal holding
companies, but only
if the beneficial
owners of the
vehicle consist
solely of the
investor or members
of the investor's
household as
described
above; and
a trust where the
grantors and/or
beneficiaries of the
trust consist solely
of the investor or
members of the
investor's household
as described above;
provided that,
purchases of the
notes by a trust
generally cannot be
aggregated together
with any purchases
made by a trustee's
personal account.

Purchases in
retirement accounts
will not be considered
part of the same
household as an
individual investor's

personal or other
non-retirement
account, except for
individual retirement
accounts (IRAs),
simplified employee
pension plans (SEPs),
savings incentive
match plan for
employees
(SIMPLEs), and
single-participant or
owners only accounts
(i.e., retirement
accounts held by
self-employed
individuals, business
owners or partners
with no employees
other than their
spouses).

Please contact your
Merrill Lynch
financial advisor if
you have any
questions about the
application of these
provisions to your
specific circumstances
or think you are
eligible.

Accelerated TS-10
Return Notes®

Accelerated
Return Notes®
Linked to the
EURO STOXX
50® Index, due
August , 2019
Structuring the Notes
The notes are our debt
securities, the return
on which is linked to
the performance of the
Index. The related
guarantees are BAC's
obligations. As is the
case for all of our and
BAC's respective debt
securities, including
our market-linked
notes, the economic
terms of the notes
reflect our and
BAC's actual or
perceived
creditworthiness at the
time of pricing. In
addition, because
market-linked notes
result in increased
operational, funding
and liability
management costs to
us and BAC,
BAC typically
borrows the funds
under these types
of notes at a rate that
is more favorable
to BAC than the rate
that it might pay for a
conventional fixed or
floating rate debt
security. This rate,
which we refer to in
this term sheet as
BAC's internal funding
rate, is typically lower
than the rate BAC
would pay when it
issues conventional

fixed or floating rate debt securities. This generally relatively lower internal funding rate, which is reflected in the economic terms of the notes, along with the fees and charges associated with market-linked notes, typically results in the initial estimated value of the notes on the pricing date being less than their public offering price. At maturity, we are required to pay the Redemption Amount to holders of the notes, which will be calculated based on the performance of the Index and the \$10 per unit principal amount. In order to meet these payment obligations, at the time we issue the notes, we may choose to enter into certain hedging arrangements (which may include call options, put options or other derivatives) with MLPF&S or one of our other affiliates. The terms of these hedging arrangements are determined by seeking bids from market participants, including MLPF&S and its affiliates, and take into account a number of factors, including our and BAC's creditworthiness, interest rate movements, the

volatility of the Index, the tenor of the notes and the tenor of the hedging arrangements. The economic terms of the notes and their initial estimated value depend in part on the terms of these hedging arrangements. MLPF&S has advised us that the hedging arrangements will include a hedging related charge of approximately \$0.075 per unit, reflecting an estimated profit to be credited to MLPF&S from these transactions. Since hedging entails risk and may be influenced by unpredictable market forces, additional profits and losses from these hedging arrangements may be realized by MLPF&S or any third party hedge providers. For further information, see Risk Factors—General Risks Relating to ARNs beginning on page PS-6 and Use of Proceeds on page PS-16 of product supplement EQUITY INDICES ARN-1.

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Linked to the
EURO STOXX
50® Index, due
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Summary Tax
Consequences
You should consider
the U.S. federal
income tax
consequences of an
investment in the
notes, including the
following:

There is no
statutory, judicial,
or administrative
authority directly
addressing the
characterization of
the notes.

You agree with us
(in the absence of
an administrative
determination, or
judicial ruling to the
contrary) to
characterize and
treat the notes for
all tax purposes as a
single financial
contract with
respect to the Index.

Under this
characterization and
tax treatment of the
notes, a U.S. Holder
(as defined
beginning on
page 50 of the
prospectus)
generally will
recognize capital
gain or loss upon
maturity or upon a
sale or exchange of
the notes prior to
maturity. This

capital gain or loss generally will be long-term capital gain or loss if you held the notes for more than one year.

No assurance can be given that the IRS or any court will agree with this characterization and tax treatment.

Under current Internal Revenue Service guidance, withholding on dividend equivalent payments (as discussed in the product supplement), if any, will not apply to notes that are issued as of the date of this pricing supplement unless such notes are delta-one instruments.

You should consult your own tax advisor concerning the U.S. federal income tax consequences to you of acquiring, owning, and disposing of the notes, as well as any tax consequences arising under the laws of any state, local, foreign, or other tax jurisdiction and the possible effects of changes in U.S. federal or other tax laws. You should review carefully the discussion (including the opinion of our counsel, Morrison & Foerster LLP) under

**the section
entitled U.S.
Federal Income Tax
Summary
beginning on page
PS-26 of product
supplement EQUITY
INDICES ARN-1.**

Where You Can Find
More Information
We and BAC have
filed a registration
statement (including a
product supplement, a
prospectus
supplement, and a
prospectus) with the
SEC for the offering
to which this term
sheet relates. Before
you invest, you should
read the Note
Prospectus, including
this term sheet, and
the other
documents relating to
this
offering that we and
BAC have filed with
the SEC, for more
complete information
about us, BAC and
this offering. You may
get these documents
without cost by
visiting EDGAR on
the SEC website at
www.sec.gov.

Alternatively, we, any
agent or any dealer
participating in this
offering will arrange
to send you these
documents if you so
request by calling
MLPF&S toll-free at
1-800-294-1322.
Market-Linked
Investments
Classification

MLPF&S classifies certain market-linked investments (the Market-Linked Investments) into categories, each with different investment characteristics. The following description is meant solely for informational purposes and is not intended to represent any particular Enhanced Return Market-Linked Investment or guarantee any performance.

Enhanced Return Market-Linked Investments are short-to medium-term investments that offer you a way to enhance exposure to a particular market view without taking on a similarly enhanced level of market downside risk. They can be especially effective in a flat to moderately positive market (or, in the case of bearish investments, a flat to moderately negative market). In exchange for the potential to receive better-than market returns on the linked asset, you must generally accept market downside risk and capped upside potential. As these investments are not market downside protected, and do not assure full repayment

of principal at maturity, you need to be prepared for the possibility that you may lose all or part of your investment.

Accelerated Return Notes[®] and ARNs are BAC's registered service marks.

Accelerated TS-12 Return Notes[®]

