2017 MIDSTREAM INDUSTRY COMPENSATION SURVEY

KEEP YOUR COMPENSATION PROGRAMS COMPETITIVE

with the midstream energy market by participating in Longnecker & Associates' 2017 Midstream Industry Compensation Survey.

Who is eligible to participate?

Organization whose direct or indirect operations include the transportation, storage and wholesale marketing of oil, natural gas and natural gas liquids.

What data will be provided?

POLICY DATA

Compensation-related pay practices, policies and decisions:

- Base salary increases
- Annual incentive measures and metrics
- Long-term incentive eligibility, vehicles and distributions
- New-hire bonuses and grants
- Retention bonuses and grants
- Severance and Change-in-Control

POSITION DATA

Position-based compensation data for 170 jobs over various departments and functions broken out by size and geography:

- Base salary
- Annual Incentives (Target and Actual)
- Total Cash (Target and Actual)
- Long-term Incentives (Target and Actual)
- Total Direct Compensation (Target and Actual)

All Organizations n=20	Revenue: Less than \$3	B n=10 Revenu	e: \$3B c	or More	n=10	- 81							Salary Ra (\$000)	nge	# of Orgs				25th	-ī		e (% of Base Salar 75th	ry) 90th	
•						- 11						(00	(\$000) or More		# or Urgs		10th		100.0		0th 00.0	125.0	90th	Avg 113.6
Category Prevalence	Category Prevalence	Catego	ry Preva	lence									to 599		7		_	-	65.0	-	1.0	125.0	_	90.9
												500										107.5	_	87.0
CEO Other NEOs	CEO Other																					97.5	-	77.5
70% 70%	90% (9									ANN						LONG-T						100.0	104.5	75.5
		SCOPE TYPE/ # OF	·	SCOPE SIZE			BASE S.			INCE		<u> </u>	<u> </u>	MPENSAT		INCEN				COMPENS		100.0	100.0	65.6
		RANGE ORG	5 25th	50th	75th	25th	50th	75th	Avg	% Elig	% Rec	25th	50th	75th	Avg 9	6 Elig	% Rec	25th	50th	75th	Avg	71.3	-	57.5
		Revenue (\$Mill)	1																			75.0	92.5	61.3
Category Weight	Category Weight	All Orgs 20	270.3	2,219.0	4,488.0	362.8	587.5	768.8	587.8	95.0	75.0	574.3	1,055.0	1,560.0	1,236.5	75.0	70.0	912.8	2,947.0	5,927.1	3,651.7	70.0	-	57.9
		Narrow Cuts	1			1				1					1		1					67.5	-	54.1
Less than 20% 🕚 0%	Less than 20% 🔶 0%	Less than 500 8	28.5	173.5	346.0	350.0	457.5		491.1	87.5				1,082.5						2,990.5		57.5	-	48.7
20% - 39% 21%	20% - 39%	1,000 - 5,000 8		2,896.5	4,321.8	555.0	657.5	791.3	646.1		87.5			2,230.0							4,128.4	69.4	75.0	54.7
40% - 59% 21%	40% - 59% 11%	2,000 - 4,000 6	2,162.0		3,572.5	585.0	665.0	835.0	691.7	100.0	83.3			2,560.0					3,549.4		4,465.6	60.0	193.8	69.7
60% - 80%	60% - 80%	2,500 - 10,000 5	3,692.0	4,452.0	4,867.0	506.9	660.0	981.5	727.4	100.0	100.0	1,096.9	1,350.0	2,726.0	1,799.2	80.0	80.0	2,079.4	5,350.0	9,135.7	5,556.0	63.3	85.0	49.7
More than 80% 21%	More than 80% (11%)	Broad Cuts	1			1									1		1					65.0	75.0	49.2
		Less than 1,000 8	28.5	173.5	346.0	350.0	457.5	599.0	491.1	87.5	75.0			1,082.5						2,990.5		50.0	180.3	57.2
		Less than 5,000 16	125.3		3,174.8	369.1			568.6	93.8	81.3			1,347.5		75.0			2,630.0		2,945.4	50.0	70.0	40.7
Less than 20% 🌑 7%	Less than 20% 0% 20% - 39% 40% - 59% 11% 60% - 80%	1,000 - 10,000 9	1		4,476.0	570.0	660.0	840.0	700.2	100.0	88.9	1,096.9	1,350.0	2,690.0	1,724.0	88.9	88.9	2,307.1	3,823.8	7,540.2	4,890.9	45.0	77.5	40.3
20% - 39% 21%			Full-Time Equivalent Employees												40.0	74.3	36.6							
20% - 39% 21% 40% - 59% 14% 60% - 80% 37%	2 40% - 59% 💽 11%	Narrow Cuts	1			1									1		1					38.8	53.1	35.7
£ 60% - 80% (3 7%	00% - 80%	Less than 500 7	20.0	70.0	320.0	350.0	400.0		418.4	85.7	85.7			1,110.0						3,034.0		30.0	35.6	26.4
		500 - 1,500 6		1,246.5	1,318.5	494.7			635.6	100.0	66.7			1,342.5		83.3					2,520.5	30.0	43.8	27.1
		1,500 - 5,000 5	1,742.0	1,844.0	3,306.0	362.5	675.0	840.0	616.0	100.0	60.0	362.5	1,630.0	2,690.0	1,547.0	80.0	80.0	2,086.9	7,280.3	8,124.0	5,540.4	25.0	28.9	21.5
		Broad Cuts	1 45.0	050.0	550.0		100.0	504.0	17/1		77.0	504.6	3/5.0	4.055.0		/	1	745.0	4 000 0	0.047.6		25.0	32.4	21.2
Metric Prevalence	Metric Prevalence	Less than 1,000 9 1.000 - 2.000 7	45.0 1.254.0	250.0 1.464.0	550.0		400.0					501.6								2,947.0		24.4	32.8	19.9
			1,254.0	1,464.0	1,830.0	600.0	66U.U	030.0	087.1	1 100.0	85.7	1,310.0	1,350.0	2,430.0	1,058.0	100.0	100.0	2,400.0	3,823.8	7,280.3	4,591.9	20.3	25.0	17.5
Cost-based 💽 15%	Cost-based 💽 21%	Assets (\$Mill)																				19.6	24.0	16.1
DCF 46%	DCF 50'	Narrow Cuts	1																			18.2	23.4	14.2
Growth-based 19%	Growth-based 29%	Less than 500 7	57.0	274.0	407.0				437.4	85.7				1,310.0		57.1				3,945.4		16.0	20.0	12.5
Profit-based	Profit-based 43%	2,000 - 7,000 6	3,745.0	5,304.5	6,172.6	492.5	587.5	/06.3	590.0	100.0	66.7	537.5	1,225.0	1,872.5	1,271.7	83.3	83.3	1,748.1	2,630.0	4,397.7	2,961.2	13.1	15.2	9.9
Return-based 15%	Return-based 43%	Return-bas	ed 🍼 17	%								00 1	U 64		22	-	4,4	_	5.0		9,4	11.4	15.0	8.9
Other 23%	Other 36%		er 🚫 8%									50 ti			20		4.2		5.4		B.O	10.6	15.0	9.0
2010	50/0	U.I.	370									Less	than 50		16		3.7		5.1	8	B.0	10.0	12.7	8.0

How much will it cost?

What dates will I need to be aware of?

IMPORTANT: Results will only be available to participating organizations.

Report Type	Policy Data	Position Data	Price		
Standard Report	\checkmark	Limited*	FREE		
Detailed Report	\checkmark	\checkmark	\$1,500		

*Data will not be broken out by size or geography

OPEN DATE: April 1, 2017 CLOSE DATE: April 29, 2017 RESULTS AVAILABLE: August 2017

Who has participated in this survey?

- Blue Racer Midstream
- Boardwalk Pipeline Partners
- Buckeye Pipeline Partners
- Cheniere Energy
- Crestwood Equity Partners
- Enbridge Energy Partners
- Energy Transfer Partners
- EnLink Midstream
- Enterprise Products

- EQT Corporation
- Fairway Energy Partners
- Flatirons Field Services
- Genesis Energy
- Iroquois Pipeline Operating Company
- Kinder Morgan
- Magellan Midstream Partners
- MarkWest Logistics Services
- Navitas Midstream Partners

- NGL Energy Partners
- NuStar Energy
- ONEOK
- PennTex Midstream Partners
- Plains All American Pipeline
- Spectra Energy Corporation
- Sprague Resources
- Summit Midstream Partners
- USA Compression Partners



HOW DO I PARTICIPATE?

To sign up or request more information about the survey, please contact Josh Whittaker | 281.378.1368 or email us at surveys@longnecker.com