STRATEGY GOVERNANCE COMPENSATION APRIL 2018 SERVICES BLOG CONTACT 281.378.1350

Dear All,

It's hard to believe May is just around the corner and proxy season will soon be coming to an end. It has been interesting, to say the least, to see the CEO pay ratio disclosures and the attention they've gotten from the media. This may be a potentially embarrassing math calculation employers have long hoped to escape - one many of us pay experts thought would die following President Trump's election - but he did not take out and now it is here.

We have some great pieces to share with you all this month. The first is an L&A original article that delves into all the important factors that should be considered when putting together effective compensation plans for employees of any level.

In addition, we have two research articles we think you'll find insightful. The first is from The New York Times on how the mix of fixed versus variable compensation has been changing over the years. The second article provides an interesting view on the public's opinion regarding government intervention in executive pay. Do you think the government should limit executive pay?

Lastly, we would like to remind you there is still time to participate in our Midstream and Upstream compensation surveys. We encourage qualifying companies to take part in the survey(s) before they close on **May 1st**.

We appreciate each and every one of you. As always, let us know if there is a particular subject you'd like to learn more about.

Sincerely,

Brent Longnecker and the L&A Team Chairman and CEO Longnecker & Associates

What are We Paying For?

Add together the volatile ingredients of egregious CEO pay articles, gender pay gaps, say-on-pay votes, CEO pay ratio legislation, media bias, market volatility, compensation lawsuits, collegiate athlete pay debate, the corporation of ISS, proxy board elections, etc. and it's easy to understand why nearly everyone has a strong opinion on what other people should make, especially executives.

READ MORE

Where Did Your Pay Raise Go? It May Have Become a Bonus

The recent stock market rumpus has been set off in part by fears that a tight labor market and quickening wage growth are a foretaste of higher inflation and interest rates. But sustained raises for American workers may be possible only if employers can break a habit: handing out onetime bonuses in place of salary increases.

READ MORE

Americans Split on Government Action to Limit Executive Pay

WASHINGTON, D.C. -- Americans are evenly divided in their reaction to a proposal for the federal government to take steps to limit the pay of executives at major companies. This contrasts with 2009, when almost six in 10 favored the idea.

Do you favor or oppose the federal government taking steps to limit the pay of executives at major companies?

READ MORE

CONTACT L&A FOR HELP WITH YOUR PROXY STATEMENT

The deadline to disclose the CEO Pay Ratio in proxy statements is quickly approaching and L&A is here to help. Our internal experts have evaluated the rule, and understand the various alternatives available. Additionally, we are here to assist in developing your CD&A disclosures and can advise on what areas you should concentrate on when putting together your statement.

GET THE MOST OUT OF YOUR 2018 PROXY STATEMENT AND ANY SHAREHOLDER OUTREACH ENGAGEMENTS.

GET HELP NOW

2018 Midstream and Upstream Surveys Closing May 1st

THERE'S STILL TIME, CLICK BELOW TO PARTICIPATE!

Keep your compensation programs competitive by participating in L&A's Midstream and Upstream Industry Compensation surveys and find out what it takes to attract, motivate and retain your teams. The surveys will provide current compensation trends as they relate to pay policies and practices, annual incentive measures and metrics, long-term incentive eligibility, vehicles and distributions, and new-hire and retention bonuses and grants.

Final survey results will be available only to participating organizations. You don't want to miss out!

I WANT TO PARTICIPATE

JOIN US AT OUR UPCOMING EVENTS

<u>NACD Austin Networking</u> <u>Event- Learn From Challenges</u> <u>Facing Healthcare Boards</u>

Thursday, May 3 4:30 a.m. – 7:00 a.m.

JW Marriott 110 E 2nd St Austin, TX 78701

Join top healthcare industry executives as they delve into how boards deal with rapid and disruptive change and what healthcare will look like in the next 5 to 15 years.

REGISTER

HR Houston's Gulf Coast Symposium on HR Issues

Wednesday, May 9 – Friday, May 11

NRG Center NRG Pkwy Houston, TX 77054

COME SEE US IN BOOTH 429!

Join us for the largest regional conference for HR professionals in the Gulf Coast. Our own Brent Longnecker will be presenting May 10th on **20/20 Compensation: The Vision for Future Compensation Trends.**

REGISTER

Tudor Pickering Holt & Co Hotter N' Hell Conference 2018

Tuesday, May 15 – Wednesday, May 16

L&A's President, Chris Crawford will be a panelist speaker at this large conference catering to executives in the energy industry. His presentation will focus on **Oil & Gas Compensation**.

Stay tuned for key takeaways from his presentation!

Let's Work Together

We know what it takes to attract, retain and motivate key talent. Contact us to develop a plan that works for your business.

GET IN TOUCH

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Get to Know Us

Alicia Wilson CONTROLLER/HR ADMIN

How long have you been with L&A? 12 years

Alma Mater: U of H

Words to Live By: If it was easy everyone would do it

Children (ages and names): Emma 9, Kate 7, Charlotte 5

What's your key to success? Hard work, dedication and perseverance

What are you passionate about? Being a good mother and wife, work, integrity, and volunteering in the community

What's a fun fact about you most people don't know? I speak sign language

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