

## Dear All,

It's hard to believe 2018 is quickly coming to an end. We wish you all a very Merry Christmas and a happy and prosperous 2019! We at L&A are very grateful for another great year and for all of you. We look forward to the new challenges and opportunities the new year will bring.

In this last L-Blast edition of 2018 we have some great pieces to share with you. The first article is an L&A original on the complex topic of Pay-for-Performance. In this piece we highlight some of the key components to consider when crafting compensation plans that help incentivize improved performance.

The second article features some of the key findings of The Conference Board's "CEO and Executive Compensation Practices: 2018 Edition" report. It highlights developing trends in the changing landscape of senior management compensation including LTIs, say-on-pay and CEO pay ratio.

Our last piece from the American Institute of CPA's (AICPA) details their response to the IRS and the Department of Treasury requesting guidance regarding Notice 2018-68 under the Tax Cuts and Jobs Act as it relates to executive compensation and IRC 162(m).

We hope you enjoy the reads and find these articles helpful. Once again, Happy Holidays from all of us at L&A and 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



## Pay-for-Performance: Not Just a Public Company Phrase

Everyone talks about it, but no one seems to know how to perfectly achieve it ... pay-for-performance. We see it everywhere, on the sports fields and in the boardroom, everyone wants to correlate pay with performance. This desire has led to the continual search for the newest and best methods to achieve perfect correlation, yet still, none have found it. Likely because perfect doesn't exist. Regardless, and although possibly futile, it remains important the effort is made and strides taken to develop pay programs that, at the very least, incentivize toward improved performance.

[READ MORE](#)

## CEO and Executive Compensation Practices: 2018 Edition

The Conference Board recently released CEO and Executive Compensation Practices: 2018 Edition, which documents trends and developments on senior management compensation at companies issuing equity securities registered with the US Securities and Exchange Commission (SEC) and, as of May 2018, included in the Russell 3000 Index.

[READ MORE](#)

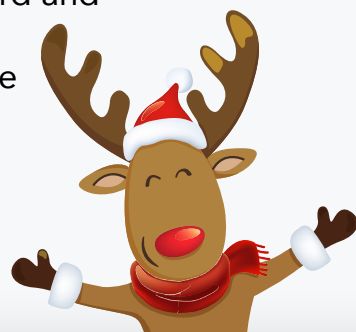
## AICPA Comments on Treasury and IRS Guidance Regarding Executive Compensation

The American Institute of CPAs (AICPA) has written the U.S. Department of the Treasury and the Internal Revenue Service (IRS) with recommendations about the guidance in Notice 2018-68, which was issued to comply with the changes made by the Tax Cuts and Jobs Act (TCJA) relating to ...

[READ MORE](#)

## A little trivia... *Did you know?*

The story of Rudolph the Red-Nosed Reindeer was first created in 1939 as a promotion for the department store Montgomery Ward and was later recorded as a song in 1949 by Gene Autry that became a Christmas classic.



## Compensation Discussion & Analysis (CD&A) Disclosure Preparations

As we start gearing up for proxy season, our consultants are ready to assist you in the development and overall structure of your CD&A disclosure. Leveraging extensive experience and knowledge of real-time best practices in the evolving shareholder communication platform, L&A will help you craft an effective message to your investor audience while fulfilling SEC requirements.

CONTACT US BELOW TO GET STARTED!

[GET STARTED](#)

## JOIN US AT OUR UPCOMING EVENTS

### NACD Houston - Innovation from Within

**Thursday, January 18**  
**7:00 a.m. – 9:15 a.m.**

Junior League of Houston  
1811 Briar Oaks  
Houston, TX 77057

Join us as we discuss real-life examples of companies who are building innovation into their culture and DNA.

[REGISTER](#)

### NACD Austin - Making the Tough Decisions

**Thursday, February 7**  
**4:00 p.m. – 7:00 p.m.**

Intercontinental SFA Austin  
701 Congress Ave  
Austin, TX 78701

Join us for a conversation with retired Lt. General and Green Beret, David Fridovich on leadership and the art of making tough decisions.

[REGISTER](#)

### NACD Houston - The Future of Healthcare

**Thursday, February 28**  
**7:00 a.m. – 9:15 a.m.**

Junior League of Houston  
1811 Briar Oaks  
Houston, TX 77057

Stay tuned for more details on this program!

[REGISTER](#)

## 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.

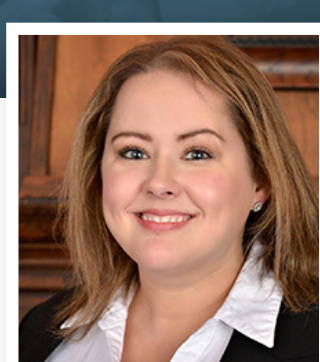
[GET IN TOUCH](#)

281.378.1350

Compensation Services  
Incentive Plan Design  
Litigation Support  
Strategic & Governance Advisory  
Restructuring Services

## Get to Know Us

**Stephanie Walker**  
SR. CONSULTANT



**Hometown:** Huffman, TX

**Children:** Gavin, 7yrs old & Grace, 14 months old

**Words to live by:** Let your smile change the world but don't let the world change your smile.

**Best vacation:** Zip lining in the Dominican Republic

**What do you enjoy most about your job?**

The variety and challenges each project brings and the amazing team I work with.