

## Dear All,

Spring is around the corner and proxy season is in full swing! Here at L&A we are off to a great start this year, staying busy helping our public clients with proxy and CD&A disclosures. Our survey specialists have also been hard at work preparing for our Midstream and Upstream compensation surveys which will be launching April 1st.

We have some interesting articles to share with you this month and hope they're helpful in planning your compensation strategies. The first piece is an article on tying sustainability to executive compensation. We are seeing an upward trend in companies attempting to link environmental, social and governance (ESG) factors to executive pay incentives as boards face more pressure from shareholders. The article explains a good approach to reach sustainability goals and please investors while providing notable returns.

The second article shares the importance of setting executive compensation levels strategically and accordingly. Many companies still make the mistake of grouping all executives into the same pay scale, running the risk of losing the key players that fuel growth, or overpaying less valuable team members.

Lastly, we are happy to announce L&A has been recognized as one of Houston's Best and Brightest Companies to Work for. We hope to continue providing an outstanding workplace for our team, and in turn provide you – our clients – with great service. We appreciate each and every one of you 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

## L&A's 2019 Midstream & Upstream Compensation Surveys Launch April 1st



MIDSTREAM SURVEY

UPSTREAM SURVEY

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, retirement, severance and change-in-control data.

Surveys are scheduled to launch April 1st and final survey results will be available only to participating organizations. You don't want to miss out!

Click the buttons to learn more about the surveys or contact [Josh Whittaker](#) at 281.378.1368

## How to Tie Executive Compensation to Sustainability

The challenge of running a sustainable enterprise has taken center stage among shareholders. Last year, for example, Russell 3000 companies received 144 shareholder proposals requesting action on social and environmental issues. Meanwhile, in a survey of 89 institutional investors by Callan, 43% of respondents said they incorporate sustainability factors into their investment decisions — up 21 percentage points from 2013.

READ MORE

## Executive Compensation Mistakes: Stop Treating Everyone Equally

In your business, certain functions are more important than others. And fair or not, some people on your executive team are more important than others. Their compensation should reflect that. That may sound like common sense, but based on our research, we find that far too many companies do just the opposite, averaging out executive compensation across their entire team in search of "fairness."

READ MORE



## L&A Named One of Houston's 2019 Best and Brightest Companies to Work For

L&A is excited to receive the Best and Brightest Companies to Work For award for the second time!

This competition identifies and honors companies that deliver exceptional human resource practices and an impressive commitment to their employees. Organizations are assessed based on categories such as communication, work-life balance, employee education, diversity, recognition, retention and more. Out of 350 nominations, 68 companies received this distinction. See the complete list of winners [here](#).

## Contact Us for Help with Your Proxy Statement and CD&A

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 2019 PROXY STATEMENT & SHAREHOLDER OUTREACH ENGAGEMENTS.

GET HELP NOW 281.378.1350

## JOIN US AT OUR UPCOMING EVENTS

### 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

Join us for this important discussion on the current state of healthcare, how we got here, the effects of future innovation and what directors need to know.

REGISTER

### Colorado Nonprofit Day Conference

Friday, March 15  
8:00 a.m. – 5:30 p.m.

The Antlers Hotel  
4 S Cascade Avenue  
Colorado Springs, CO 80903

Visit our booth at the largest gathering for nonprofits in the Pikes Peak Region, bringing together over 500 nonprofit professionals for a day of learning, connecting and idea-sharing.

REGISTER

### NACD Houston - Innovating in a Nonprofit World

Thursday, April 11  
7:00 a.m. – 9:15 a.m.

Junior League of Houston  
1811 Briar Oaks  
Houston, TX 77057

Join us and learn how nonprofits can introduce innovative approaches to create a sustainable business model while encouraging a culture of innovation.

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

Erika Ruiz

MARKETING DIRECTOR



**How long have you been with L&A?**

Almost 2 years.

**What is the best advice you've been given?**

Be impeccable with your word, always do your best, don't take anything personally and don't assume anything.

**What's a fun fact about you most people don't know?**

I met Cesar Millan, the Dog Whisperer.. but no, he did not whisper my dogs.

**Favorite Book?**

The Alchemist