

Dear All,

It's hard to believe the first quarter of the year is gone and Spring is here! We are at the peak of proxy season and we have some great articles to share with you this month. We hope these will shed some new light on executive compensation trends and the effects tax reform is having across all industries.

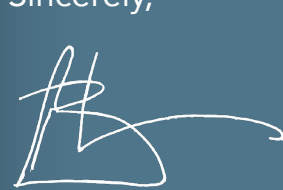
The first piece is from our partners at NFP and focuses on SERPs. As explained in the article, supplemental executive retirement plans (SERP) can hold the key to solving government limits and compensation caps while still attracting, motivating and retaining key talent. This holds true particularly for tax-exempt organizations who now face an excise tax on compensation exceeding \$1M as outlined in the Tax Cuts and Jobs Act.

The second article highlights the impacts tax reform has had on pay practices and shares key considerations for the 2019 proxy season as well as emerging trends and best practices in executive and director compensation.

The third article shares thoughts on how executive compensation in the banking industry should be reformed and recommends a focus on long-term shareholder value through incentive compensation consisting only of restricted equity.

Lastly, just a reminder for those in the energy sector – our midstream and upstream surveys will be launching April 1st, don't miss out! We are always here to help, especially now during proxy season, don't hesitate to reach out to us for assistance with your pay ratio disclosures and CD&A. 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



SERPs – One Size Does Not Fit All

Employers have long struggled with the ability to attract, retain and reward key talent. Government limits and restrictions on the amount that employees and employers may contribute toward qualified retirement plans, such as IRAs and 401(k) and 403(b) plans, leave many highly compensated executives – usually key executives – without enough retirement income to sustain their current standard of living.

[READ MORE](#)

Trends in Executive Compensation, Employment Law and Compensation Committee Practices

Tax Reform's Impact on Pay Practices and Preparing for Proxy Season

Mr. Asmar began with a discussion of how the 2017 federal tax legislation (the so-called "Tax Cuts and Jobs Act" (TCJA)) amended Section 162(m) of the Internal Revenue Code. Notably, the TCJA eliminated Section 162(m)'s qualified performance-based compensation exception, so that all compensation paid to covered employees in excess of \$1 million annually is not deductible, unless it is grandfathered under the TCJA's transition rule.

[READ MORE](#)

Thoughts on How Bank Executive Compensation Should Be Reformed

Senior bank regulators are considering new regulations on bank executive pay. Bank regulators and boards should consider three criteria to evaluate bank executive compensation reform policies: simplicity, transparency, and a focus on creating and sustaining long-term shareholder value. As shareholders are now required to vote on CEO compensation packages, a simple incentive structure is easier for them to understand and evaluate, reducing the need to rely on third-party vendors of proxy voting advice, the value of which has been the subject of considerable controversy.

[READ MORE](#)

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

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**

[MIDSTREAM SURVEY](#)

[UPSTREAM SURVEY](#)

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 - 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](#)

NACD Austin - Inside the Nonprofit Boardroom: Issues That Challenge Nonprofit Boards

Thursday, April 25
11:00 a.m. – 1:00 p.m.

Save the Date!
Location To Be Announced
Austin, TX

Join nonprofit experts and sitting directors to discuss the challenges nonprofits face and learn how to tackle these issues inside the boardroom.

[REGISTER](#)

NACD Houston - Crisis Readiness and Oversight

Friday, May 10
7:00 a.m. – 9:15 a.m.

Junior League of Houston
1811 Briar Oaks
Houston, TX 77057

Join us as panelists discuss how companies should prepare for a major crisis event and what directors and senior management need to know.

[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](#)

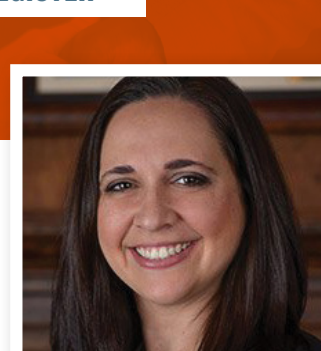
281.378.1350

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

Get to Know Us

Stephanie Noman

PROJECT MANAGER



How long have you been with L&A? 5 years

Hometown: La Porte, TX

What is the last movie you saw in a theater?
A special 30th Anniversary showing of Dirty Dancing.

What is the best vacation you've ever had?
I've taken a few road trips with my mom over the last several years. No matter where we go, we always have a great time and I love our adventures together!

Favorite Book: There are too many to choose from! I love to read and typically reach for mystery/suspense, historical fiction, science fiction/fantasy and the occasional biography.