



Battles In The Boardroom

Brent Longnecker
Longnecker & Associates

The Current Compensation Environment

- + Business Complexity
- + Over Levered
- + Shareholder Activists
- + Institutional Shareholders
- + ISS
- + Media push
- + Employee Perceptions
- + Government Pressures
 - + SEC
 - + IRS
 - + DOL
 - + Banking Agency Regulations
 - + White House
 - + Elections
- + Market Competition
- + Private Equity Money
- + Merger and Acquisition Activity

The Current Compensation Environment

+ Long-term Incentives

How do you award long-term incentives at historical low points?

The Current Compensation Environment

+ Pay or People

Do you cut Pay or People in a down market?

The Current Compensation Environment

+ Annual Incentives

Your Annual Incentive Formula is producing above target payouts, but your stock price is in the tank.

The Current Compensation Environment

+ Non-Compete / Non-Solicitations

Are they valuable?

The Current Compensation Environment

+ Long-term Incentives

No more shares to award Long-term incentives?

The Current Compensation Environment

+ Determining Peers

Do Peers change because of extreme volatility?

The Current Compensation Environment

+ ISS Says:

- + Remove Tax Gross'ups
- + Remove Single Trigger Change of Control
- + Remove Retention-based awards
- + Hold until Retirement

The Current Compensation Environment

+ Pay Ratio Disclosure

**CEO Pay Ratio Disclosure is a concern.
Possible Law of Unintended Consequences.**

The Current Compensation Environment

+ Not-for-Profit

Our company is a not for profit, but not a charity, how do we compete for talent?

Q&A

Questions?

Contact Us

Longnecker & Associates
11011 Jones Road, Suite 200
Houston, TX 77070

281.378.1350

info@longnecker.com