

LAMAR ADVERTISING CO/NEW

Form DEF 14A

April 18, 2019

Table of Contents

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

**(Amendment No. )**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material under Rule 14a-12

**Lamar Advertising Company**  
**(Name of registrant as specified in its charter)**

**(Name of person(s) filing proxy statement, if other than the registrant)**

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

- (1) Title of each class of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
- (2) Aggregate number of securities to which transaction applies:
  
  
  
  
  
  
  
  
  
  
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
  
  
  
  
  
  
  
  
  
  
- (4) Proposed maximum aggregate value of transaction:
  
  
  
  
  
  
  
  
  
  
- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:
  
  
  
  
  
  
  
  
  
  
- (2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

**Table of Contents**

**LAMAR ADVERTISING COMPANY**

**5321 Corporate Boulevard**

**Baton Rouge, Louisiana 70808**

**(225) 926-1000**

**NOTICE OF 2019 ANNUAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON MAY 30, 2019**

To our Stockholders:

The 2019 Annual Meeting of Stockholders of Lamar Advertising Company, a Delaware corporation (the Company), will be held at the offices of Lamar Advertising Company, 5321 Corporate Boulevard, Baton Rouge, Louisiana, at 9:00 a.m. Central Daylight Time on Thursday, May 30, 2019, for the following purposes:

1. To elect eight directors, each for a one-year term.
  2. To approve an amendment and restatement of the Company's 1996 Equity Incentive Plan to increase the number of shares of Class A Common Stock of the Company available for issuance under the plan by 2,000,000 shares from 15,500,000 to 17,500,000 shares.
  3. To approve the Company's 2019 Employee Stock Purchase Plan.
  4. To ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for the 2019 fiscal year.
  5. To transact any other business as may properly come before the meeting.
- Only stockholders of record at the close of business on April 1, 2019 will be entitled to vote at the meeting.

We have elected to provide access to our proxy materials over the internet for the holders of our Class A Common Stock under the Securities and Exchange Commission's notice and access rules. Detailed information concerning these matters is set forth in the Important Notice Regarding the Availability of Proxy Materials (the Notice), which holders of our Class A Common Stock have received in the mail, and in this Notice of Annual Meeting of Stockholders and the attached Proxy Statement.

**It is important that your shares be represented at the meeting. Therefore, whether or not you plan to attend the meeting, please either vote by telephone or internet (if you hold shares of our Class A Common Stock) or, if you received printed proxy materials and wish to vote by mail, please promptly sign and return your proxy card in the enclosed envelope. Please review the instructions on each of your voting options described in the attached**

**Proxy Statement as well as in the Notice you received in the mail. If you attend the Annual Meeting and wish to vote your shares in person, your proxy will not be used.**

By order of the Board of Directors,

James R. McIlwain

*Secretary*

Baton Rouge, Louisiana

April 18, 2019

Table of Contents

**PROXY STATEMENT**  
**TABLE OF CONTENTS**

|  | <b>Page</b> |
|--|-------------|
| <u>GENERAL INFORMATION</u>   | 1           |
| <u>SHARE OWNERSHIP</u>   | 4           |
| <u>SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE</u>   | 7           |
| <u>EXECUTIVE OFFICERS OF THE REGISTRANT</u>  | 7           |
| <u>PROPOSAL NO. 1: ELECTION OF DIRECTORS</u>   | 8           |
| <u>BOARD OF DIRECTORS AND COMMITTEES</u>   | 13          |
| <u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>  | 15          |
| <u>EXECUTIVE OFFICER AND DIRECTOR COMPENSATION</u>   | 17          |
| <u>EQUITY COMPENSATION PLAN INFORMATION</u>  | 32          |
| <u>PROPOSAL NO. 2: TO APPROVE AN AMENDMENT AND RESTATEMENT OF THE COMPANY'S<br/>1996 EQUITY INCENTIVE PLAN</u> | 33          |
| <u>PROPOSAL NO. 3: TO APPROVE THE COMPANY'S 2019 EMPLOYEE STOCK PURCHASE PLAN</u>                              | 39          |
| <u>AUDIT COMMITTEE REPORT</u>  | 41          |
| <u>PROPOSAL NO. 4: RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING<br/>FIRM</u>                       | 42          |
| <u>ADDITIONAL INFORMATION</u>  | 44          |

**Table of Contents**

**LAMAR ADVERTISING COMPANY**  
**PROXY STATEMENT**  
**FOR THE ANNUAL MEETING OF STOCKHOLDERS**  
**TO BE HELD ON MAY 30, 2019**  
**GENERAL INFORMATION**

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of Lamar Advertising Company for use at the Annual Meeting of Stockholders to be held at the offices of Lamar Advertising Company, 5321 Corporate Boulevard, Baton Rouge, Louisiana, at 9:00 a.m. Central Daylight Time on Thursday, May 30, 2019, and at any adjournments of the Annual Meeting.

We have elected to distribute our proxy materials for the Annual Meeting to holders of our Class A Common Stock via the internet under the "notice and access" approach permitted by the rules of the Securities and Exchange Commission (the "SEC"). Accordingly, on or about April 18, 2019, we will mail a Notice of Internet Availability of Proxy Materials (the "Notice") to holders of Class A Common Stock that contains instructions on how to access the proxy materials, including this proxy statement and our annual report to stockholders for the fiscal year ended December 31, 2018, on the internet. Our annual report to stockholders includes a copy of our annual report on Form 10-K/A for the fiscal year ended December 31, 2018, as filed with the SEC on February 26, 2019, except for certain exhibits. Holders of our Class B Common Stock and Series AA Preferred Stock will receive printed copies of our proxy materials.

If you are a holder of our Class A Common Stock and would prefer to receive a paper copy of our proxy materials, please follow the instructions included in the Notice.

**Important Notice Regarding the Availability of Proxy Materials**  
**for the Stockholder Meeting to Be Held on May 30, 2019**

The proxy statement and annual report to security holders are available at <https://materials.proxyvote.com/512816>.

**Record Date, Voting Rights and Outstanding Shares**

The Board of Directors has fixed April 1, 2019, as the record date for determining the holders of our capital stock who are entitled to vote at the Annual Meeting.

We have two classes of common stock and one class of preferred stock issued and outstanding: Class A Common Stock, \$0.001 par value per share, Class B Common Stock, \$0.001 par value per share, and Series AA Preferred Stock, \$0.001 par value per share. We refer to our Class A Common Stock and our Class B Common Stock collectively as our common stock.

With respect to the matters submitted for vote at the Annual Meeting, each share of Class A Common Stock is entitled to one vote, each share of Class B Common Stock is entitled to ten votes, and each share of Series AA Preferred Stock is entitled to one vote.

Our Class A Common Stock, Class B Common Stock and Series AA Preferred Stock will vote as a single class on the matters submitted at the Annual Meeting. On April 1, 2019, there were outstanding and entitled to vote 85,584,434 shares of Class A Common Stock, 14,420,085 shares of Class B Common Stock, and 5,719.49 shares of Series AA Preferred Stock.



## **Table of Contents**

The presence at the Annual Meeting, in person or by proxy, of the holders of one-third of the issued and outstanding shares of Class A Common Stock, Class B Common Stock, and Series AA Preferred Stock entitled to vote at the close of business on April 1, 2019 will constitute a quorum for the transaction of business. If you are a beneficial owner whose shares are held of record by a broker, you must instruct the broker how to vote your shares. If you do not provide voting instructions, your shares will not be voted on any proposal on which the broker does not have discretionary authority to vote. This is called a broker non-vote. We will count broker non-votes, votes withheld, and abstentions as being present at the Annual Meeting for purposes of determining whether a quorum exists.

Holders of our Class A Common Stock who do not attend the Annual Meeting in person may vote their shares electronically via the internet or by telephone, or may request printed proxy materials and submit the proxy card enclosed therein by mail. Holders of our Class B Common Stock and Series AA Preferred Stock who do not attend the Annual Meeting in person may vote their shares by submitting the proxy card enclosed in our printed proxy materials by mail, but may not vote their shares electronically via the internet or by telephone.

Internet and telephone voting are available through 11:59 p.m. Central Daylight Time on May 29, 2019. Proxy cards sent by mail, if received in time for voting and not revoked, will be voted at the Annual Meeting according to the instructions on the proxy cards. If no instructions are indicated, the shares represented by the proxy will be voted:

**FOR** the election of the director nominees named herein;

**FOR** the approval of the amendment and restatement of the Company's 1996 Equity Incentive Plan;

**FOR** the approval of the Company's 2019 Employee Stock Purchase Plan;

**FOR** the ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the 2019 fiscal year; and

In accordance with the judgment of the proxy holders as to any other matter that may be properly brought before the Annual Meeting or any adjournments of the Annual Meeting.

Shares counted as present at the Annual Meeting that abstain from voting on a particular matter or that are represented by a broker non-vote as to a particular matter will not be considered as votes cast on that matter. Accordingly, abstentions and broker non-votes will not affect the outcome of any matter to be voted on at the Annual Meeting that requires the affirmative vote of a certain percentage or a plurality of the votes cast on a matter to approve it.

## **Voting of Proxies**

If you hold shares of our Class A Common Stock, please refer to the Notice for instructions regarding how to access our proxy materials and vote your shares electronically via the internet or by telephone. The Notice also contains instructions if you would like to receive a paper copy of our proxy materials and vote by mail. You may also vote in person at the Annual Meeting. If you hold your shares through a bank, broker or other nominee, it will give you separate instructions for voting your shares.

If you hold shares of our Class B Common Stock or Series AA Preferred Stock, you may vote by mail by submitting the proxy card enclosed in our printed proxy materials. You may also vote in person at the Annual Meeting.

**Table of Contents**

**Revocability of Proxies**

Any stockholder giving a proxy has the power to revoke it at any time before it is exercised. You may revoke the proxy by filing an instrument of revocation or a duly executed proxy bearing a later date with our Secretary at our principal executive offices, 5321 Corporate Boulevard, Baton Rouge, Louisiana 70808. You may also revoke your proxy by attending the Annual Meeting and voting in person. If you do not revoke your proxy, we will vote the proxy at the Annual Meeting in accordance with the instructions indicated on your proxy card.

**Householding of Annual Meeting Materials**

As permitted by the SEC, we have adopted a procedure called "householding" to satisfy the rules regarding delivery of proxy materials. This means that only one copy of our Notice or proxy materials may have been sent to multiple stockholders with the same last name in your household. We will promptly deliver a separate copy of any document to you upon request. Requests may be made by calling Broadridge Financial Solutions, Inc., toll-free in the United States at 1-866-540-7095 or by writing to Broadridge Financial Solutions, Inc. Attn. Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

Table of Contents**SHARE OWNERSHIP****Common Stock**

The following table sets forth certain information known to us as of April 1, 2019 with respect to the shares of our Class A Common Stock and Class B Common Stock beneficially owned as of that date by: (i) each of our directors and each of our nominees for director; (ii) each of our executive officers named in the 2018 Summary Compensation Table contained in this proxy statement; (iii) all of our directors and executive officers as a group; and (iv) each person known by us to beneficially own more than 5% of our Class A Common Stock or Class B Common Stock. Our Class B Common Stock is convertible into Class A Common Stock on a one-for-one basis. Except as otherwise indicated, we believe each beneficial owner named below has sole voting and sole investment power with respect to all shares beneficially owned by that holder. Percentage calculations of beneficial ownership are based on 85,584,434 shares of Class A Common Stock and 14,420,085 shares of Class B Common Stock outstanding on April 1, 2019.

| <b>Beneficial Owner</b>  | <b>Title of Class</b>  | <b>No. of Shares Owned</b>   | <b>Percent of Class</b> |
|--|------------------------|------------------------------|-------------------------|
| <b>Directors, Nominees for Director and Executive Officers</b>         |                        |                              |                         |
| Kevin P. Reilly, Jr. °   | Class A                | 384,238 <sup>(1)</sup>       | *                       |
|  | Class B <sup>(2)</sup> | 11,362,250 <sup>(3)(4)</sup> | 78.79% <sup>(5)</sup>   |
| Sean E. Reilly   | Class A                | 0                            | *                       |
|  | Class B <sup>(2)</sup> | 10,557,835 <sup>(4)(6)</sup> | 73.22% <sup>(7)</sup>   |
| Anna Reilly °  | Class A                | 153,303 <sup>(8)</sup>       | *                       |
|  | Class B <sup>(2)</sup> | 10,000,000 <sup>(4)(9)</sup> | 69.35% <sup>(10)</sup>  |
| Wendell Reilly °   | Class A                | 11,473 <sup>(11)</sup>       | *                       |
|  | Class B <sup>(2)</sup> | 9,500,000 <sup>(4)(12)</sup> | 65.88% <sup>(13)</sup>  |
| Keith A. Istre   | Class A                | 135,185                      | *                       |
| Stephen P. Mumblow °   | Class A                | 8,136 <sup>(14)</sup>        | *                       |
| Thomas V. Reifenheiser °   | Class A                | 48,708 <sup>(15)</sup>       | *                       |
| John E. Koerner, III °   | Class A                | 33,472 <sup>(16)</sup>       | *                       |
| Marshall Loeb °  | Class A                | 810                          | *                       |
| Elizabeth Thompson   | N/A                    | 0                            | *                       |
| All Current Directors and Executive Officers as a Group<br>(9 Persons) | Class A & B            | 15,195,410 <sup>(17)</sup>   | 15.19% <sup>(18)</sup>  |
| <b>Five Percent Stockholders</b>                                       |                        |                              |                         |
| The Reilly Family Limited Partnership                                  | Class B <sup>(2)</sup> | 9,000,000                    | 62.41% <sup>(19)</sup>  |
| The Vanguard Group   | Class A                | 12,485,873 <sup>(20)</sup>   | 14.59%                  |
| 100 Vanguard Blvd.   |                        |                              |                         |

|   |         |                           |       |
|---|---------|---------------------------|-------|
| Malvern, PA 19355<br>BlackRock, Inc.<br>55 East 52nd Street<br>New York, NY 10055 | Class A | 8,390,109 <sup>(21)</sup> | 9.80% |
| Janus Henderson Group plc<br>201 Bishopsgate EC2M 3AE<br>London, United Kingdom   | Class A | 8,072,425 <sup>(22)</sup> | 9.43% |

---

**Table of Contents**

- \* Less than 1%.
  - Nominee for director.
  - Current director.
- (1) Includes 100,000 shares subject to stock options exercisable within 60 days of April 1, 2019.
- (2) Upon the sale of any shares of Class B Common Stock to a person other than to a Permitted Transferee, such shares will automatically convert into shares of Class A Common Stock. Permitted Transferees include (i) a descendant of Kevin P. Reilly, Sr.; (ii) a spouse or surviving spouse (even if remarried) of any individual named or described in (i) above; (iii) any estate, trust, guardianship, custodianship, curatorship or other fiduciary arrangement for the primary benefit of any one or more of the individuals named or described in (i) and (ii) above; and (iv) any corporation, partnership, limited liability company or other business organization controlled by and substantially all of the interests in which are owned, directly or indirectly, by any one or more of the individuals and entities named or described in (i), (ii), and (iii) above. Except for voting rights, the Class A Common Stock and Class B Common Stock are substantially identical. The holders of Class A Common Stock and Class B Common Stock vote together as a single class (except as may otherwise be required by Delaware law), with the holders of Class A Common Stock entitled to one vote per share and the holders of Class B Common Stock entitled to ten votes per share on all matters on which the holders of common stock are entitled to vote.
- (3) Includes 566,211 shares held by Ninemile, L.L.C., of which Kevin P. Reilly, Jr. is the managing member, all of which are pledged as collateral for a loan. Kevin P. Reilly, Jr. has sole voting power over the shares held by Ninemile, L.L.C. but dispositions of the shares require the approval of 66% of the outstanding membership interests. Kevin P. Reilly, Jr. disclaims beneficial ownership in the shares held by Ninemile, L.L.C., except to the extent of his pecuniary interest therein.
- (4) Includes 9,000,000 shares held by the Reilly Family Limited Partnership (the RFLP), of which Kevin P. Reilly, Jr. is the managing general partner, 500,000 shares of which are pledged as collateral for a loan. Kevin P. Reilly, Jr.'s three siblings, Anna Reilly (a nominee for director), Sean E. Reilly (our Chief Executive Officer) and Wendell Reilly (a nominee for director) are the other general partners of the RFLP. The managing general partner has sole voting power over the shares held by the RFLP but dispositions of the shares require the approval of 50% of the general partnership interests of the RFLP. Anna Reilly, Sean E. Reilly, and Wendell Reilly disclaim beneficial ownership in the shares held by the RFLP, except to the extent of their pecuniary interest therein.
- (5) Represents 11.36% of the Class A Common Stock if all shares of Class B Common Stock are converted into Class A Common Stock.
- (6) Includes 757,375 shares held by Jennifer and Sean Reilly Family, LLC.
- (7) Represents 10.56% of the Class A Common Stock if all shares of Class B Common Stock are converted into Class A Common Stock.
- (8) Includes 143,303 shares owned jointly by Anna Reilly and her spouse and 10,000 shares subject to stock options exercisable within 60 days of April 1, 2019.
- (9) Includes 1,000,000 shares owned jointly by Ms. Reilly and her spouse.
- (10) Represents 10.00% of the Class A Common Stock if all shares of Class B Common Stock are converted into Class A Common Stock.
- (11) Includes 5,000 shares held by his spouse and 4,000 shares subject to stock options exercisable within 60 days of April 1, 2019. Also includes 2,473 shares that are pledged as collateral for a loan.
- (12) Includes 500,000 shares pledged as collateral for a loan.
- (13) Represents 9.50% of the Class A Common Stock if all shares of Class B Common Stock are converted into Class A Common Stock.
- (14)

Edgar Filing: LAMAR ADVERTISING CO/NEW - Form DEF 14A

Includes 7,584 shares held in a brokerage margin account. The margin balance outstanding, if any, pursuant to such account may vary from time to time.

- (15) Includes 17,200 shares of Class A Common Stock subject to stock options exercisable within 60 days of April 1, 2019.
- (16) Includes 10,000 shares of Class A Common Stock subject to stock options exercisable within 60 days of April 1, 2019.
- (17) See Notes 1, 3, 4, 6, 8, 9, 11, 12, 14, 15 and 16.

**Table of Contents**

- (18) Assumes the conversion of all shares of Class B Common Stock into shares of Class A Common Stock.
- (19) Represents 9.00% of the Class A Common Stock if all shares of Class B Common Stock are converted into Class A Common Stock.
- (20) As reported in the Schedule 13G/A filed on February 11, 2019 with the SEC for the year ended December 31, 2018, The Vanguard Group ( Vanguard ) has sole voting power with respect to 45,967 shares, shared voting power with respect to 9,385 shares, sole dispositive power with respect to 12,438,698 shares and shared dispositive power with respect to 47,175. Includes 37,790 shares beneficially owned by Vanguard s wholly-owned subsidiary Vanguard Fiduciary Trust Company ( VFTC ) as a result of VFTC s serving as investment manager of collective trust accounts and 17,562 shares beneficially owned by Vanguard s wholly-owned subsidiary Vanguard Investments Australia, Ltd. ( VIA ) as a result of VIA s serving as investment manager of Australian investment offerings.
- (21) As reported in the Schedule 13G/A filed on February 6, 2019 with the SEC for the year ended December 31, 2018, BlackRock, Inc. has sole voting power with respect to 8,015,293 shares and sole dispositive power with respect to 8,390,109 shares.
- (22) As reported in the Schedule 13G filed on February 12, 2019 with the SEC for the year ended December 31, 2018, Janus Henderson Group plc ( Janus Henderson ) has an ownership stake in certain asset management entities, which furnish investment advice to various fund, individual and/or institutional clients ( Managed Portfolios ), including Janus Capital Management LLC ( Janus Capital ). Janus Henderson has shared voting and dispositive power with respect to all such shares.

**Preferred Stock**

The Company also has outstanding 5,719.49 shares of Series AA Preferred Stock. Holders of Series AA Preferred Stock are entitled to one vote per share. The Series AA Preferred Stock is held as follows: 3,134.8 shares (54.8%) by the RFLP, of which Kevin P. Reilly, Jr. is the managing general partner and Anna Reilly, Sean E. Reilly, and Wendell Reilly are the general partners; 1,500 shares (26.2%) by Charles W. Lamar III; 784.69 shares (13.7%) by Mary Lee Lamar Dixon; and 300 shares (5.3%) by the Josephine P. Lamar Test. Trust #1. The aggregate outstanding Series AA Preferred Stock represents less than 1% of the capital stock of the Company.



**Table of Contents****SECTION 16(A) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Our directors, our executive officers and anyone owning beneficially more than ten percent of our registered equity securities are required under Section 16(a) of the Securities Exchange Act of 1934 to file with the SEC reports of their ownership and changes to their ownership of our securities. They must also furnish copies of the reports to us. Based solely on our review of the reports furnished to us and any written representations we received that no other reports were required, we believe that, during the fiscal year ended December 31, 2018, our officers, directors and ten-percent stockholders complied with all Section 16(a) filing requirements applicable to them.

**EXECUTIVE OFFICERS OF THE REGISTRANT**

| <b>Name</b>          | <b>Age</b> | <b>Title</b>                          |
|----------------------|------------|---------------------------------------|
| Kevin P. Reilly, Jr. | 64         | Chairman of the Board and President   |
| Sean E. Reilly       | 57         | Chief Executive Officer               |
| Keith A. Istre       | 66         | Chief Financial Officer and Treasurer |

Each officer's term of office extends until the meeting of the Board of Directors following the next annual meeting of stockholders and until a successor is elected and qualified or until his earlier resignation or removal. On January 9, 2019, the Company announced that its Chief Financial Officer and Treasurer, Keith A. Istre, intends to retire effective December 31, 2019. The Company is presently conducting a comprehensive search for his successor.

Kevin P. Reilly, Jr. has served as our President since February 1989 and as one of our directors since February 1984. Mr. Reilly also served as our Chief Executive Officer from February 1989 until February 2011. Prior to becoming President and Chief Executive Officer, Mr. Reilly served as the President of our Outdoor Division from 1984 to 1989. Mr. Reilly, our employee since 1978, has also served as General Manager of our Baton Rouge Region and Vice President and General Manager of the Louisiana Region. Mr. Reilly received a B.A. from Harvard University in 1977.

Sean E. Reilly has served as our Chief Executive Officer since February 2011. Prior to becoming Chief Executive Officer, Mr. Reilly had been Chief Operating Officer and President of the Company's Outdoor Division, a position that he had held since November 2001. He began working with the Company as Vice President of Mergers and Acquisitions in 1987 and served in that capacity until 1994. He also served as a director of the Company from 1989 to 1996 and from 1999 until 2003. Mr. Reilly was the Chief Executive Officer of Wireless One, Inc., a wireless cable television company, from 1994 to 1997, after which he rejoined the Company. Mr. Reilly received a B.A. from Harvard University in 1984 and a J.D. from Harvard Law School in 1989.

Keith A. Istre has been Chief Financial Officer of the Company since February 1989. Mr. Istre joined the Company as Controller in 1978 and became Treasurer in 1985. Prior to joining the Company, Mr. Istre was employed by a public accounting firm in Baton Rouge from 1975 to 1978. Mr. Istre graduated from the University of Southwestern Louisiana in 1974 with a degree in Accounting.

**Table of Contents****PROPOSAL NO. 1: ELECTION OF DIRECTORS**

The Board of Directors has fixed the number of directors at eight for the coming year, reflecting an increase of the current size of the seven-person Board of Directors. The Board of Directors, upon recommendation from the Nominating and Governance Committee, has nominated the individuals listed below for election as directors at the Annual Meeting of Stockholders to be held on May 30, 2019, to serve until the next Annual Meeting of Stockholders and until their successors are elected and qualified. Each nominee has consented to being named a nominee in this proxy statement and to serve, if elected, as a director. If any nominee is unable to serve, proxies will be voted for such other candidates as may be nominated by the Board of Directors.

**Required Vote**

Directors will be elected by a plurality of the votes cast by the stockholders entitled to vote on this proposal at the meeting. Abstentions, broker non-votes, and votes withheld will not be treated as votes cast for this purpose and will not affect the outcome of the election.

**The Board of Directors recommends that you vote FOR the election  
of each of the nominees listed below.**

**Nominees for Director**

The following table contains certain information about the nominees for director as of April 1, 2019, including their business experience, qualifications and other directorships. All of the directors' present terms expire in 2018.

**Business Experience During Past Five Years,**

| <b>Name and Age</b>                 | <b>Other Directorships and Qualifications</b>  | <b>Director Since</b> |
|-------------------------------------|--|-----------------------|
| Kevin P. Reilly, Jr.<br><br>Age: 64 | Kevin P. Reilly, Jr. has served as our President since February 1989 and as one of our directors since February 1984. Mr. Reilly also served as our Chief Executive Officer from February 1989 until February 2011. Prior to becoming President and Chief Executive Officer, Mr. Reilly served as the President of our Outdoor Division from 1984 to 1989. Mr. Reilly, our employee since 1978, has also served as General Manager of our Baton Rouge Region and Vice President and General Manager of the Louisiana Region. | 1984                  |

Kevin P. Reilly, Jr., with over 35 years of experience at Lamar and 30 years as our President, has unparalleled knowledge of our business and operating history. He is also the managing general partner of our controlling stockholder, the Reilly Family Limited Partnership. The RFLP and members of the Reilly family are permitted holders of our Class B Common Stock, which was put in place in connection with our initial public offering in 1996 to provide for continuity of control over the Company and entitles its holders to ten votes per share. Board representation by members of the Reilly family, which has ties to the Lamar family dating back to

1958, also serves to preserve the principles upon which Lamar was founded.

**Table of Contents**

| <b>Business Experience During Past Five Years,</b> |  |                       |
|--|--|-----------------------|
| <b>Name and Age</b>                                | <b>Other Directorships and Qualifications</b>  | <b>Director Since</b> |
| Anna Reilly<br>Age: 55                             | Anna Reilly serves as Vice Chair of the Board for Helen Simoneau Danse. From 2009-2014, she served on the Asset Development Committee of the Winston Salem Foundation. From 2005-2012, she served on the Board of Visitors for Duke University's Sanford School of Public Policy, during which time she served as the chair of their Developmental Committee for three years. From 2007 to 2012, she served as a Director of the Bethesda Center for the Homeless. From 2001 to 2006, Ms. Reilly served on the Board of Directors of St. Joseph Capital Bank, a public company that is now Old National Bank. During that time, she also served as a trustee of the Stanley Clark School and as a Director of the Community Foundation of St. Joseph County. From 1995 until 2000, Ms. Reilly owned and operated Lula's Café, a restaurant in South Bend, Indiana. | 2001                  |

Anna Reilly is a general partner of our controlling stockholder, the RFLP, and brings knowledge of our business and operations to the Board. The RFLP and members of the Reilly family are permitted holders of our Class B Common Stock, which was put in place in connection with our initial public offering in 1996 to provide for continuity of control over the Company and entitles its holders to ten votes per share. In addition, Board representation by members of the Reilly family, which has ties to the Lamar family dating back to 1958, also serves to preserve the principles upon which Lamar was founded. Ms. Reilly's background and continued commitment to civic service also provide us with a valuable perspective on local issues, which is important to us due to our focus on local advertising.

|                           |  |      |
|---------------------------|--|------|
| Wendell Reilly<br>Age: 61 | Wendell Reilly has been the Managing Partner of Grapevine Partners LLC since 2000, and in 2009, he joined Peachtree Equity Partners II as a General Partner. Mr. Reilly currently serves as Chairman of Berman Capital Advisors, as Lead Director on the board of Brown and Brown, Inc. and on the investment committee of the Community Foundation for Greater Atlanta. He also serves as a Trustee Emeritus of Emory University and Trustee of The Carter Center in Atlanta. He previously served as the Company's Chief Financial Officer from 1985 to 1989 and director from 1999 to 2001. Mr. Reilly also served as CFO of Haas Publishing Companies from 1989 to 1994, CEO of Grapevine Communications, a group of seven network-affiliated TV stations, from 1996 to 2000 and CEO of SignPost Networks from 2003 to 2011. | 2005 |
|---------------------------|--|------|

Wendell Reilly, with over 30 years of private equity, entrepreneurial and executive management experience in media and communications, has extensive expertise in our industry from both inside and outside Lamar. He also brings valuable insight into the issues facing our management through his experience as a founder and principal in other media companies. Mr. Reilly is also a general partner of our controlling

stockholder, the RFLP. The RFLP and members of the Reilly family are permitted holders of our Class B Common Stock, which was put in place in connection with our initial public offering in 1996 to provide continuity of control over the Company and entitles its holders to ten votes per share. In addition, Board representation by members of the Reilly family, which has ties to the Lamar family dating back to 1958, also serves to preserve the principles upon which Lamar was founded.

**Table of Contents**

| <b>Business Experience During Past Five Years,</b> |  |                       |
|--|--|-----------------------|
| <b>Name and Age</b>                                | <b>Other Directorships and Qualifications</b>  | <b>Director Since</b> |
| Stephen P. Mumblow<br>Age: 63                      | <p>Stephen P. Mumblow is the President and Owner of Manhan Media, Inc., Deerfield Media, Inc. and the Deerfield Media group of companies, which own and operate television stations in nine mid-size U.S. television markets and engage in the production and distribution of sports related programming in the United States. Until January 2002, Mr. Mumblow was the President and a Director of Communications Corporation of America, a television and radio broadcasting company, having joined that company in 1998. Mr. Mumblow was a Managing Director of Chase Securities, Inc., an investment banking firm, from March 1988 to August 1998. Prior to that, he was a Vice President of Michigan Energy Resources Company, an intrastate natural gas utility company and cable television and broadcasting concern, and Citibank, N.A., a commercial bank.</p> <p>Mr. Mumblow brings to the Board experience in advertising and marketing trends based upon his ownership of Manhan Media and Deerfield Media. He also has extensive banking expertise, including with respect to the financing of a wide range of media enterprises and merger and acquisition activity within the media industry. He has also gained valuable expertise both operating and serving on the boards of businesses in the television, radio and newspaper industries, experience which provides him with insight into the Company's competitive and strategic landscape. His financial acumen and experience, including qualification as an Audit Committee Financial Expert, provides our Board with valuable skills and a strong background in financial reporting and balance sheet management.</p> | 1999                  |
| Thomas V. Reifenheiser<br>Age: 83                  | <p>Thomas V. Reifenheiser was a Managing Director and Group Executive for the Global Media and Telecom Group of Chase Securities Inc., an investment banking firm, from 1995 to 2000. He joined Chase in 1963 and was the Global Media and Telecom Group Executive since 1977. He has served as a director of Cablevision Systems Corporation, Mediacom Communications Corporation, F+W Publications Inc. and Citadel Broadcasting Corporation.</p> <p>Mr. Reifenheiser possesses expertise in the finance and banking sector with a specialization in the media industry. His extensive experience serving on corporate boards makes him an invaluable resource on matters of corporate governance, executive compensation, effective board oversight and strategic planning. Mr. Reifenheiser's vast experience in the broadcasting and publishing industries provides strategic perspective and insight into our industry. His service on our Board also provides us with additional financial expertise.</p>   | 2000                  |

**Table of Contents**

| <b>Business Experience During Past Five Years,</b> |   |                       |
|--|---|-----------------------|
| <b>Name and Age</b>                                | <b>Other Directorships and Qualifications</b>   | <b>Director Since</b> |
| John E. Koerner, III<br>Age: 76                    | <p>John E. Koerner, III has been the managing member of Koerner Capital, LLC, a private investment company, or the President of its predecessor, Koerner Capital Corporation, since 1995. From 1976 to 1995, Mr. Koerner was President and co-owner of Barq's, Inc. and its subsidiary, The Delaware Punch Company. Mr. Koerner is a member of a number of civic boards including The Nature Conservancy of Louisiana and the World War II Museum. He served as Chairman of the New Orleans Regional Chamber of Commerce for 1995, was a past Co-Chairman of Metrovision, and was the 2002 - 2003 Chairman of the New Orleans Business Council. He serves on a number of business boards including IBERIABANK Corporation and Geocent, LLC. Mr. Koerner served on the board of Legg Mason, Inc. until July 2014.</p> <p>Mr. Koerner has extensive experience in corporate finance, the management of capital intensive organizations, and capital markets. Through his service on other boards, Mr. Koerner also has experience with a broad range of corporate governance matters. Mr. Koerner's background and civic board service also provide us with a valuable link to our community, which is important to us because of our focus on local advertising.</p> | 2007                  |
| Marshall A. Loeb<br>Age: 56                        | <p>Marshall A. Loeb is the President, Chief Executive Officer and a director of EastGroup Properties, Inc., a self-administered equity real estate investment trust (REIT) focused on the development, acquisition and operation of industrial properties. He previously served as President and Chief Operating Officer of Glimcher Realty Trust from 2005 to 2015. From 2000 to 2005, he served as Chief Financial Officer of Parkway Properties, Inc.</p> <p>Mr. Loeb has more than 25 years of experience with publicly held REITS. He possesses extensive expertise in the real estate industry and in finance. His experience serving in a variety of executive roles at other REITs provides us with an invaluable strategic perspective.</p>  | 2018                  |
| Elizabeth Thompson<br>Age: 55                      | <p>Elizabeth Thompson is the co-founder and Director of Cleveland Avenue, LLC, a food and beverage focused venture fund. Ms. Thompson also serves as President of the Cleveland Avenue Foundation for Education, a non-profit organization focused on college access and success and career readiness. In addition, Ms. Thompson serves as a director of a number of non-profit organizations, including Chicago Public Media, Partnership for College Completion, Chicago Beyond and Braven, and is a former Trustee of the University of Chicago.</p>   |                       |

Ms. Thompson has extensive leadership experience and decades of experience as a director of non-profit organizations. Through her board service, Ms. Thompson has experience navigating a wide-array of organizational challenges, allowing her to serve as a critical resource. Ms. Thompson's background and commitment to civic service will provide us with a valuable perspective on local issues, which is important to us due to our focus on local advertising.



**Table of Contents**

**Family Relationships**

Kevin P. Reilly, Jr., our Chairman of the Board and President, Sean E. Reilly, our Chief Executive Officer, and our directors Anna Reilly and Wendell Reilly are siblings. Kevin P. Reilly, Jr., Anna Reilly and Wendell Reilly are also nominees for director at the Annual Meeting.

---

**Table of Contents****BOARD OF DIRECTORS AND COMMITTEES**

During the year ended December 31, 2018, our Board of Directors held nine meetings. Each of our directors attended at least 75% of the aggregate of the total number of meetings of our Board and the total number of meetings of our Board's committee meetings for the committee(s) on which that director served. The Board has standing Audit, Compensation and Nominating and Governance Committees. During the year ended December 31, 2018, the Audit Committee held six meetings, the Compensation Committee held four meetings, and the Nominating and Governance Committee held two meetings. We encourage, but do not require, our Board members to attend the Annual Meeting of Stockholders. Last year, all of our directors attended the Annual Meeting of Stockholders.

**Leadership Structure.** Kevin P. Reilly, Jr. currently serves as our Chairman of the Board, and Sean E. Reilly serves as our Chief Executive Officer. The Board does not have a policy regarding the separation of the roles of Chairman of the Board and Chief Executive Officer, as the Board believes it is in our best interests to make this determination based on an assessment of the current condition of our Company and composition of the Board. The Board has determined that having a member of senior management serve as Chairman of the Board is in the best interests of our stockholders at this time. This structure makes the best use of management's extensive knowledge of the Company and our industry, as well as fostering greater communication between management and the Board.

**Director Independence.** The Board has determined that Messrs. Koerner, Loeb, Mumblow and Reifenheiser are independent directors as defined in the Nasdaq Stock Market listing standards, based on information known to the Company and on the annual questionnaire completed by each director.

**Meetings in Executive Session.** Our independent directors have regularly scheduled meetings at which only independent directors are present. During 2018, the independent directors met in executive session on two occasions.

**Risk Oversight.** As part of its charter, the Board is responsible for monitoring the risks that affect the Company, including operational, legal, regulatory, strategic and reputational risks. As part of routine Board meetings, management presents the Board with updates regarding key facets of the Company's operations. The Board is responsible for assessing risks based on their working knowledge of the Company and the risks inherent in its business. As discussed below, the Audit Committee is responsible for monitoring the Company's financial risk.

**Audit Committee.** The Audit Committee currently consists of Stephen P. Mumblow (Chair), Thomas V. Reifenheiser, Marshall Loeb and John E. Koerner, III. Our Board of Directors has determined that each member of the Audit Committee satisfies the independence and financial literacy requirements as defined by applicable Nasdaq Stock Market listing standards governing the qualifications of Audit Committee members. Stephen P. Mumblow qualifies as an audit committee financial expert under the rules of the SEC and satisfies the financial sophistication requirements under applicable Nasdaq Stock Market listing qualifications. The Audit Committee assists our Board of Directors in fulfilling its responsibility for general oversight over the integrity of our financial statements, including compliance with legal and regulatory requirements, the independent registered public accounting firm's qualifications and independence, and the performance of our internal audit function. The Audit Committee is also responsible for the appointment (and when appropriate, replacement) and oversight of our independent registered public accounting firm and our internal auditor. The Audit Committee operates under a written charter adopted by the Board of Directors. The Audit Committee has been delegated by the Board the responsibility of monitoring the Company's financial risks. Any material financial risks identified by the Audit Committee are reported to the full Board.

**Table of Contents**

**Compensation Committee.** The Compensation Committee currently consists of Thomas V. Reifenhiser (Chair), John E. Koerner, III and Stephen P. Mumbrow, all of whom our Board has determined are independent directors under the listing standards of the Nasdaq Stock Market governing the independence of directors. The Compensation Committee's responsibilities include evaluating the performance of the Chief Executive Officer and our other executive officers and reviewing and determining such officers' cash and equity-based compensation and benefits. The Compensation Committee operates under a written charter adopted by the Board of Directors. For additional information regarding the Compensation Committee's role in setting compensation, delegation of their authority and our use of compensation consultants, please see the Compensation Discussion and Analysis section of this proxy statement, which begins on page 17.

**Nominating and Governance Committee.** The Nominating and Governance Committee currently consists of John E. Koerner, III (Chair), Thomas V. Reifenhiser and Stephen P. Mumbrow, all of whom our Board has determined are independent directors under the listing standards of the Nasdaq Stock Market governing the independence of directors. The Nominating and Governance Committee's responsibilities include identifying individuals qualified to become Board members and recommending to the Board the director nominees for the next Annual Meeting of Stockholders, as well as candidates to fill vacancies on the Board. Additionally, the Nominating and Governance Committee recommends to the Board the directors to be appointed to Board committees. The Nominating and Governance Committee also developed and recommended to the Board a set of corporate governance guidelines and oversees the effectiveness of our corporate governance in accordance with those guidelines. The Nominating and Governance Committee operates under a written charter adopted by the Board of Directors.

Ms. Elizabeth Thompson is the only nominee for director proposed to be elected at the Annual Meeting who is not currently serving as a director of the Company.

To assist in identifying director candidates in the future, the Nominating and Governance Committee may engage the services of third party firms. The Nominating and Governance Committee also considers director candidates suggested by members of the Nominating and Governance Committee, other directors, management and stockholders. The process followed by the Nominating and Governance Committee to evaluate director candidates, includes evaluating biographical information and background materials relating to potential candidates and interviewing (with Board members) selected candidates.

In considering whether to recommend any candidate for inclusion in the Board's slate of director nominees, the Nominating and Governance Committee will evaluate the candidate against the standards and qualifications set out in the Company's Corporate Governance Guidelines, including, among others:

the extent to which the candidate's skills, experience, and perspective adds to the range of talent appropriate for the Board and whether such attributes are relevant to our industry;

the candidate's ability to dedicate the time and resources sufficient for the diligent performance of Board duties;

whether the candidate meets the independence requirements under applicable Nasdaq Stock Market listing standards; and

the extent to which the candidate holds any position that would conflict with responsibilities to the Company.

The Nominating and Governance Committee believes that the backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge, and abilities that will allow the Board to fulfill its responsibilities.

## **Table of Contents**

The Nominating and Governance Committee and the Board do not have a formal diversity policy. In identifying nominees for director, however, consideration is given to the diversity of professional experience, education and backgrounds among the directors so that a variety of points of view are represented in Board discussions and deliberations concerning our business.

Stockholders may recommend candidates for the Nominating and Governance Committee to consider as potential director nominees by submitting names, biographical information, and background materials to the Nominating and Governance Committee, c/o General Counsel, Lamar Advertising Company, 5321 Corporate Boulevard, Baton Rouge, Louisiana 70808. The Nominating and Governance Committee will consider a recommendation only if appropriate biographical information and background material is provided on a timely basis as further described in the Nominating and Governance Committee's charter. See *Board of Directors and Committees Committee Charters* below. Assuming that appropriate biographical and background material is provided for candidates recommended by stockholders, the Nominating and Governance Committee will evaluate those candidates by following substantially the same process, and applying substantially the same criteria used for candidates submitted by Board members. The Nominating and Governance Committee will also consider whether to nominate any person nominated by a stockholder in accordance with the provisions of the Company's bylaws relating to stockholder nominations as described in *Deadline for Stockholder Proposals and Director Nominations* below. To date, no stockholder has recommended a candidate for director nominee to the Nominating and Governance Committee or to the Board of Directors.

***Committee Charters.*** You may view copies of the charters of the Audit Committee, the Compensation Committee, and the Nominating and Governance Committee, as currently in effect, on the corporate governance section of our website, [www.lamar.com](http://www.lamar.com).

## **CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

### **Related Person Transactions**

Ross L. Reilly is the son of Kevin P. Reilly, Jr., our Chairman of the Board and President and nominee for director, and the nephew of Sean Reilly, our Chief Executive Officer, and our directors and director nominees Wendell and Anna Reilly. Ross is employed as a General Manager of the Company. In connection with his employment during 2018, Ross's aggregate compensation, including his base salary and bonus, did not exceed \$120,000. He is eligible to participate in customary employee benefit programs for his position.

### **Policy on Related Person Transactions**

Related persons include any of our directors or executive officers, certain of our stockholders and their immediate family members. A conflict of interest may occur when an individual's private interest interferes, or appears to interfere, in any way with the interests of the Company. Our Code of Business Conduct and Ethics requires all directors, officers and employees to disclose to management any situations that may be, or appear to be, a conflict of interest. Once management receives notice of a conflict of interest, they will review and investigate the relevant facts and will then generally consult with our General Counsel and the Audit Committee as appropriate.

Under the Audit Committee's charter, the Audit Committee is responsible for reviewing and pre-approving any related party transactions. Copies of our Code of Business Conduct and Ethics and of our Audit Committee charter are available on our website at [www.lamar.com](http://www.lamar.com).



**Table of Contents**

In addition to the reporting requirements under the Code of Business Conduct and Ethics, each year our directors and executive officers complete questionnaires identifying any transactions with us in which the executive officers or directors or any immediate family members have an interest. Any such transactions or other related party transactions are reviewed and brought to the attention of the Audit Committee as appropriate.

**Compensation Committee Interlocks and Insider Participation**

The Compensation Committee currently consists of Thomas V. Reifenhiser (Chair), John E. Koerner, III and Stephen P. Mumblow. None of our executive officers serves as a member of the board of directors or compensation committee of any other company that has one or more executive officers serving as a member of our Board of Directors or Compensation Committee.

**Table of Contents**

**EXECUTIVE OFFICER AND DIRECTOR COMPENSATION**

**Compensation Discussion and Analysis**

Our Compensation Committee has responsibility for establishing, implementing and maintaining the compensation program for our executive officers. For the year ended December 31, 2018, our executive officers consisted of our Chairman of the Board and President, Chief Executive Officer and Chief Financial Officer, who are also referred to herein as the named executive officers. This Compensation Discussion and Analysis sets forth the objectives and material elements of the compensation paid to our named executive officers for fiscal 2018.

***Executive Compensation Philosophy***

The primary objective of our executive compensation program is to retain and reward executive officers who contribute to our long-term success. We believe this requires a competitive compensation structure both as compared to similarly situated companies in the media industry and other companies that are our peers in terms of annual revenues. Additionally, we seek to align a significant portion of executive officer compensation to the achievement of specified Company performance goals. Incentive cash bonuses are included to drive executive performance by having pay at risk so that a significant portion of potential cash compensation is tied to goal achievement. We also include performance-based equity grants as a significant component of prospective executive compensation so that the value of a portion of executive compensation is tied directly to the performance of our Class A Common Stock. In addition, discretionary bonuses may be made to executive officers based upon accomplishments outside the scope of the performance metrics used in the Company's incentive programs.

***Use of Compensation Consultants and Peer Group Data***

The Compensation Committee did not consult with any compensation consultants in conjunction with its executive officer compensation determinations for fiscal 2018. The Compensation Committee did not set executive officer compensation to a specific percentile of the range of total compensation represented by a specified peer group when making its executive compensation determinations for fiscal 2018.

***Material Elements of Executive Officer Compensation***

The key elements of compensation for our executive officers are base salaries, performance-based cash incentive awards and performance-based equity awards. Executives may also participate, on the same terms as all other employees, in a 401(k) retirement savings plan and health and welfare benefits.

***Base Salary.*** We pay a base salary to each of our named executive officers. The objective of base salary is to provide a fixed component of cash compensation to the executive that reflects the level of responsibility associated with the executive's position and is competitive with the base compensation the executive could earn in a similar position at comparable companies. Base salary for our named executive officers is reviewed annually in light of market compensation, tenure, individual performance, Company performance and other subjective considerations. Typically, our Chairman of the Board and President makes recommendations to the Compensation Committee with regard to base salary for the executive officers that he believes are justified in light of these considerations.

In March 2018, the Compensation Committee reviewed current base salaries in conjunction with our Chairman of the Board and President. The Compensation Committee reviewed the roles and responsibilities of each executive officer and determined that no changes were warranted.





---

**Table of Contents**

*Performance-Based Incentive Compensation.* The Company's incentive compensation program consists of two types of awards that are granted under the Company's 1996 Equity Incentive Plan, as amended: (i) a performance-based incentive cash bonus and (ii) a performance-based incentive equity award. This compensation program was designed by the Compensation Committee to link a significant portion of overall executive officer compensation to the achievement of enumerated performance targets. By including a fixed share equity award as a significant portion of executive compensation, the aggregate value of each executive officer's compensation is dependent on the performance of the Company's Class A Common Stock.

*Incentive Cash Bonus.* The Compensation Committee sets target amounts for incentive cash bonuses for each of the named executive officers with corresponding performance goals. The Compensation Committee reviews those target amounts annually based on the executive's roles and responsibilities, the Company's performance, and the current economic environment. The Compensation Committee determined that the 2018 target incentive cash bonus of the Chairman of the Board and President, the Chief Executive Officer, and the Chief Financial Officer, would remain unchanged at \$250,000, \$400,000, and \$300,000, respectively. The Compensation Committee then approved the performance goals for 2018 pursuant to which any payout of incentive cash bonus awards would be based. The Compensation Committee also continued its practice of providing the possibility of higher payouts that provide incentives for superior performance above the 100% targeted levels of achievement, which can result in an incentive cash bonus in an amount that is up to 200% of the target amount.

When setting the performance goals for the executive officers' incentive cash bonuses for fiscal 2018, the Compensation Committee met with management to review current operating budgets and financial projections along with any current initiatives that could impact the Company's anticipated 2018 results. The Compensation Committee determined that the Company's pro forma net revenue growth and pro forma earnings before interest, taxes, depreciation and amortization and adjusted for gain or loss on disposition of assets and investments (referred to in this proxy statement as EBITDA) growth continue to be the appropriate measures on which to base incentive compensation as these measures are the primary measures used by both management and the investor community to evaluate the Company's performance.

The Compensation Committee's goal when determining the specific performance thresholds is to set target (100%) goal achievement at a challenging but achievable level based on the 2018 operating budget in order to provide appropriate incentives for management in the context of the current fiscal year's projected results and current business plan. To align the Company's performance and the level of award achievement, the Compensation Committee maintained a 65% threshold for minimum achievement of both cash incentive and equity incentive awards. The 2018 performance goals for incentive cash bonuses were based on achievement of pro forma revenue growth and pro forma EBITDA growth for fiscal 2018 over fiscal 2017 with 50% of the total bonus amount tied to each metric. Tables setting forth the actual performance thresholds for fiscal 2018 are set forth below on pages 21 and 22.

Following this review, the Compensation Committee certified that (i) the Company's pro forma net revenue growth resulted in attainment of 100% of each named executive officer's target cash incentive bonus for fiscal 2018 based on revenue, and (ii) the Company's pro forma EBITDA growth resulted in attainment of 175% of each named executive officer's target cash incentive bonus for fiscal 2018 based on EBITDA. The total 2018 cash incentive bonus for each executive is set forth below and is reflected in the Non-Equity Incentive Plan Compensation column of the 2018 Summary Compensation Table.

Table of Contents**Incentive Cash Bonus**

|  | <b>2018 Awards</b>  |  | <b>Total (\$)</b> |
|--|---|--|-------------------|
|  | <b>Portion (50%)<br/>Based<br/>on Pro<br/>Forma<br/>Net Revenue Growth (\$)</b> | <b>Portion (50%)<br/>Based on Pro<br/>Forma<br/>EBITDA Growth (\$)</b> |                   |
| Kevin P. Reilly, Jr.<br><i>Chairman of the Board and President</i> | \$ 125,000  | \$ 218,750   | \$ 343,750        |
| Sean E. Reilly<br><i>Chief Executive Officer</i>                   | \$ 200,000  | \$ 350,000   | \$ 550,000        |
| Keith A. Istre<br><i>Chief Financial Officer and Treasurer</i>     | \$ 150,000  | \$ 262,500   | \$ 412,500        |

*Incentive Equity Awards.* The Compensation Committee also determined the target amount of incentive equity awards for each of the named executive officers at its March 2018 meeting. These target equity award amounts were set at 44,000 shares of Class A Common Stock for both Kevin P. Reilly, Jr. and Sean E. Reilly, which amounts have remained unchanged since 2006. Keith A. Istre's target equity incentive award of 34,000 shares of Class A Common Stock was also held constant. The Compensation Committee reaffirmed its belief that fixed share amounts provided appropriate incentives and alignment with interests of stockholders.

Under the terms of the Company's incentive equity award program, no shares of stock are issued unless and until the relevant performance goals have been met and certified by the Compensation Committee. Any earned shares are issued as soon as practicable following such certification and are fully vested at the time of issuance. The Compensation Committee feels that the use of stock awards as a part of its compensation program aligns executive compensation to the creation of stockholder value but not to such an extent that it would create incentives for executives to focus solely on short-term stock appreciation to the exclusion of long-term strategy.

The pro forma revenue growth and pro forma EBITDA growth metrics for fiscal 2018 over fiscal 2017 used in the context of the incentive cash awards were used to determine the achievement of incentive equity awards. Unlike incentive cash awards, there is no opportunity to achieve greater than 100% of the target equity awards.

On that basis, (i) the Company's pro forma net revenue growth resulted in attainment of 100% of each named executive officer's target incentive equity award for 2018 based on revenue and (ii) the Company's pro forma EBITDA growth resulted in attainment of 100% of each named executive officer's target incentive equity award for 2018 based on EBITDA. The total 2018 incentive equity awards earned by each executive is set forth below and reflected in the Stock Awards column of the 2018 Summary Compensation Table (see footnote 1 to the 2018 Summary Compensation Table, which describes the assumptions underlying the calculation of the aggregate grant date fair value of these awards).

**Table of Contents****Incentive Equity Awards**

|  | <b>2018 Awards</b>   |   |  |
|--|--|---|--|
|  | <b>Portion<br/>(50%)<br/>Based<br/>on<br/>Pro<br/>Forma<br/>Net Revenue Growth</b> | <b>Portion (50%)<br/>Based on Pro<br/>Forma<br/>EBITDA Growth (#)</b> | <b>Total Shares<br/>Class A Common<br/>Stock (#)</b> |
| Kevin P. Reilly, Jr.<br><i>Chairman of the Board and President</i> | 22,000   | 22,000  | 44,000   |
| Sean E. Reilly<br><i>Chief Executive Officer</i>                   | 22,000   | 22,000  | 44,000   |
| Keith A. Istre<br><i>Chief Financial Officer and Treasurer</i>     | 17,000   | 17,000  | 34,000   |

The tables that follow set forth the level of pro forma net revenue and pro forma EBITDA growth required for fiscal 2018 over fiscal 2017 to achieve the stated percentage of target incentive awards for our named executive officers as set by the Compensation Committee in March 2018. These goals relate to achievement of both incentive cash and incentive equity awards, except that equity awards cannot exceed their target amount irrespective of goal achievement in excess of the 100% level.

**Table of Contents****2018 POTENTIAL INCENTIVE AWARDS\*****Pro Forma Net Revenue Growth<sup>(1)</sup> 50%**

| <b>Incentive Cash Bonus</b>             |  | <b>Incentive Equity Award</b>           |  |
|---|--|---|--|
| <b>Pro Forma<br/>Net Revenue Growth</b> | <b>Percentage of<br/>Target<br/>Bonus Earned</b> | <b>Pro Forma<br/>Net Revenue Growth</b> | <b>Percentage of<br/>Target<br/>Bonus Earned</b> |
| Less than 1.3%                          | 0%   | Less than 1.3%                          | 0%   |
| At least 1.3% but less than 1.4%        | 65%  | At least 1.3% but less than 1.4%        | 65%  |
| At least 1.4% but less than 1.5%        | 70%  | At least 1.4% but less than 1.5%        | 70%  |
| At least 1.5% but less than 1.6%        | 75%  | At least 1.5% but less than 1.6%        | 75%  |
| At least 1.6% but less than 1.7%        | 80%  | At least 1.6% but less than 1.7%        | 80%  |
| At least 1.7% but less than 1.8%        | 85%  | At least 1.7% but less than 1.8%        | 85%  |
| At least 1.8% but less than 1.9%        | 90%  | At least 1.8% but less than 1.9%        | 90%  |
| At least 1.9% but less than 2.0%        | 95%  | At least 1.9% but less than 2.0%        | 95%  |
| At least 2.0% but less than 4.0%        | 100%*  | At least 2.0% or greater                | 100%*  |
| At least 4.0% but less than 4.5%        | 125%   |   |  |
| At least 4.5% but less than 5.0%        | 150%   |   |  |
| At least 5.0% but less than 5.5%        | 175%   |   |  |
| At least 5.5% or greater                | 200%   |   |  |

\* Denotes goal achieved for 2018 as certified by the Compensation Committee.

(1) Pro forma net revenue growth is based on the Company's net revenue growth in 2018 over 2017 based on actual 2018 net revenue versus 2017 net revenue, as adjusted to reflect acquisitions and divestitures for the same time frame as actually owned in 2018.

**Table of Contents****2018 POTENTIAL INCENTIVE AWARDS\*****Pro Forma EBITDA Growth<sup>(1)</sup> 50%**

| <b>Incentive Cash Bonus</b>      |  | <b>Incentive Equity Award</b>    |  |
|----------------------------------|--|----------------------------------|--|
| <b>Pro Forma EBITDA Growth</b>   | <b>Percentage of Target Bonus Earned</b> | <b>Pro Forma EBITDA Growth</b>   | <b>Percentage of Target Bonus Earned</b> |
| Less than 0.9%                   | 0%                                       | Less than 0.9%                   | 0%                                       |
| At least 0.9% but less than 1.0% | 65%                                      | At least 0.9% but less than 1.0% | 65%                                      |
| At least 1.0% but less than 1.1% | 70%                                      | At least 1.0% but less than 1.1% | 70%                                      |
| At least 1.1% but less than 1.2% | 75%                                      | At least 1.1% but less than 1.2% | 75%                                      |
| At least 1.2% but less than 1.3% | 80%                                      | At least 1.2% but less than 1.3% | 80%                                      |
| At least 1.3% but less than 1.4% | 85%                                      | At least 1.3% but less than 1.4% | 85%                                      |
| At least 1.4% but less than 1.5% | 90%                                      | At least 1.4% but less than 1.5% | 90%                                      |
| At least 1.5% but less than 1.6% | 95%                                      | At least 1.5% but less than 1.6% | 95%                                      |
| At least 1.6% but less than 4.0% | 100%                                     | At least 1.6% or greater         | 100%*                                    |
| At least 4.0% but less than 4.5% | 125%                                     |                                  |  |
| At least 4.5% but less than 5.0% | 150%                                     |                                  |  |
| At least 5.0% but less than 5.5% | 175%*                                    |                                  |  |
| At least 5.5% or greater         | 200%                                     |                                  |  |

\* Denotes goal achieved for 2018 as certified by the Compensation Committee.

(1) Pro forma EBITDA growth is calculated in the same manner as pro forma net revenue growth with adjustments being made in the 2017 period to reflect acquisitions and divestitures for the same time frame as actually owned in 2018 and is also adjusted, solely with respect to calculation of incentive cash bonuses, to eliminate any expense in the period related to executive bonuses.

**Table of Contents**

***Consideration of Prior Stockholder Advisory Vote on Executive Compensation***

At the Company's 2017 Annual Meeting of Stockholders, more than 96% of shares present at the meeting for purposes of the proposal were voted to approve, on an advisory basis, the compensation of our named executive officers as disclosed in the proxy statement for that meeting, thus ratifying our compensation philosophy and approach. Our Board of Directors and the Compensation Committee considered this overwhelming support, as well as our past operating performance, in making the determination that the fundamental characteristics of our executive compensation program should remain. The next advisory stockholder vote on executive compensation is scheduled to be held at the 2020 Annual Meeting of Stockholders.

***Other Compensation Components***

*Discretionary Equity Awards.* The Company's incentive compensation program permits the Compensation Committee to grant discretionary equity awards under the Company's 1996 Equity Incentive Plan, as amended, that are not subject to achievement of performance criteria. On February 26, 2018, the Compensation Committee approved discretionary grants of 11,333 shares to Mr. Istre and 14,667 shares to each of Mr. Sean E. Reilly and Mr. Kevin P. Reilly, Jr. in recognition of their contributions to the Company in 2017. See footnote 5 of the 2018 Summary Compensation Table on page 26 of this proxy statement for additional information regarding the discretionary equity awards.

*Perquisites.* We provide certain perquisites to our named executive officers, including use of the Company's aircraft and a Company car. Our named executive officers are entitled to use our Company aircraft, including for personal travel. These perquisites provide flexibility to the executives and increase travel efficiencies, allowing more productive use of executive time. More detail on these perquisites and other perquisites provided to our named executive officers may be found in the 2018 Summary Compensation Table.

*Deferred Compensation.* The Company has a deferred compensation plan for certain officers, including the named executive officers. Under this plan, officers who meet certain years of service and other criteria are eligible to receive Company contributions into their accounts in the Lamar Deferred Compensation Plan. Officers do not have the option of deferring any portion of their earned cash compensation through additional voluntary contributions to the plan.

The deferred compensation plan is not funded by us, and participants have an unsecured contractual commitment from us to pay the amounts due under the deferred compensation plan. When payments under the plan are due, the funds are distributed from our general assets. The Company does not offer preferential earnings on deferred compensation. Deferred compensation is intended as a long-term savings vehicle for our officers in light of the fact that the Company does not offer any traditional pension or defined benefit plan. The Compensation Committee does not consider deferred compensation accounts when setting executive pay levels, since this represents compensation that has previously been earned and individual accounts are a function of personal investment choices and market-based earnings.

## **Table of Contents**

### ***Tax Implications***

The Compensation Committee awards compensation to our executive officers as it deems appropriate to meet our overall compensation objectives, even though it may not be fully deductible for the purposes of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code). In general, Section 162(m), prevents publicly held corporations from deducting, for federal income tax purposes, compensation paid in excess of \$1,000,000 to certain executives. Historically, this deduction limitation did not apply, however, to compensation that constitutes qualified performance-based compensation within the meaning of Section 162(m) of the Code and the regulations promulgated thereunder.

For taxable years beginning after December 31, 2017, the exemption from Section 162(m)'s deduction limit for performance-based compensation has been repealed by legislation known as the Tax Cuts and Jobs Act, such that compensation paid to our named executive officers that is in excess of \$1,000,000 will not be deductible by the Company unless it qualifies for transition relief applicable to certain arrangements in place as of November 2, 2017 and not modified thereafter. Subject to the overall compensation objectives of the Company, the Compensation Committee intends to administer any awards granted prior to November 2, 2017 which qualify as performance-based compensation under Section 162(m) of the Code, as amended by the Act, in accordance with the transition rules applicable to binding contracts in effect on November 2, 2017.

### ***Payments Upon Termination or Change in Control***

We do not have employment agreements or other agreements with any of our executive officers that entitle them to payments upon termination or in the event of a change-in-control.

As previously disclosed, Keith A. Istre intends to retire from the Company effective December 31, 2019. In March 2019, the Compensation Committee determined the target incentive equity and cash bonus awards for its named executive officers, including Mr. Istre, for performance in 2019 based upon the Company's achievement of performance criteria. To the extent Mr. Istre otherwise earns all (or any portion) of his 2019 incentive equity or cash bonus awards based upon the Company's achievement of applicable performance criteria and assuming his continued service through December 31, 2019, the Compensation Committee intends to approve the payment of such awards in February 2020, per its usual practice.

### ***Compensation Policies and Practices as they Relate to Risk Management***

Our management has reviewed its compensation policies and practices in conjunction with the Compensation Committee to determine if these policies and practices create risks that are reasonably likely to have a material adverse effect on the Company. The Company's basic compensation structure, as described above, includes base salaries, incentive cash bonuses and, for officers of the Company (including certain non-executive officers), incentive equity compensation that primarily consists of annual performance-based equity awards. In light of this review of the compensation structure and its mix of both fixed and variable compensation, the Company concluded that there are no risks arising from our compensation policies and practices for our employees that are reasonably likely to have a material adverse effect on the Company.



**Table of Contents**

**Compensation Committee Report**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement, for the year ended December 31, 2018, for filing with the Securities and Exchange Commission.

By the Compensation Committee,

Thomas V. Reifenheiser (*Chair*)

John E. Koerner, III

Stephen P. Mumblow

Table of Contents**2018 Summary Compensation Table**

The following table sets forth certain compensation information for our named executive officers. The table reflects each officer's position as of December 31, 2018.

| Name and Principal Position  | Year | Salary<br>(\$) | Bonus<br>(\$) | Stock<br>Awards<br>(\$) <sup>(1)</sup> | Non-Equity<br>Incentive                 |   | All Other<br>Compensation<br>(\$) <sup>(3)(4)</sup> | Total<br>(\$) |
|--|------|----------------|---------------|--|---|---|---|---------------|
|  |      |                |               |  | Option<br>Awards<br>(\$) <sup>(1)</sup> | Plan<br>Compensation<br>(\$) <sup>(2)</sup> |   |               |
| Kevin P. Reilly, Jr.<br><i>Chairman of the Board and<br/>President</i> | 2018 | 100,000        |               | 3,864,836 <sup>(5)</sup>               |   | 343,750                                     | 243,622 <sup>(6)</sup>                              | 4,552,208     |
|  |      | 100,000        |               | 3,331,680 <sup>(7)</sup>               |   |   | 280,243   | 3,711,923     |
|  | 2017 |                |               |  |   |   |   |               |
| Sean E. Reilly<br><i>Chief Executive Officer</i>                       | 2016 | 100,000        |               | 2,636,040 <sup>(8)</sup>               |   | 250,000                                     | 128,374   | 3,114,414     |
|  | 2018 | 700,000        |               | 3,864,836 <sup>(5)</sup>               |   | 550,000                                     | 444,274 <sup>(6)</sup>                              | 5,559,110     |
|  |      | 700,000        |               | 3,331,680 <sup>(7)</sup>               |   |   | 385,119   | 4,416,799     |
| Keith A. Istre<br><i>Chief Financial Officer and<br/>Treasurer</i>     | 2017 |                |               |  |   |   |   |               |
|  | 2016 | 700,000        |               | 2,636,040 <sup>(8)</sup>               |   | 400,000                                     | 434,211   | 4,170,251     |
|  | 2018 | 500,000        |               | 3,047,169 <sup>(5)</sup>               |   | 412,500                                     | 52,500  | 4,012,169     |
|  |      | 500,000        |               | 2,574,480 <sup>(7)</sup>               |   |   | 52,500  | 3,126,980     |
|  | 2017 |                |               |  |   |   |   |               |
|  | 2016 | 500,000        |               | 2,036,940 <sup>(8)</sup>               |   | 300,000                                     | 52,500  | 2,889,440     |

- (1) Reflects the aggregate grant date fair value recognized for financial statement reporting purposes in accordance with ASC Topic 718. With respect to performance-based stock awards, the grant date fair value is calculated assuming the probable outcome of achievement, which on the grant date was expected to be 100% of the target equity incentive award amount, rather than the value of the actual award earned on the date when issued to the officer. For the assumptions underlying the valuation of these awards see Note 15 to the Consolidated Financial Statements included in our Annual Report on Form 10-K/A for the fiscal year ended December 31, 2018, filed with the SEC on February 26, 2019. With respect to discretionary stock grants, the grant date fair value is calculated as of the date of grant.
- (2) Amounts shown in the Non-Equity Incentive Plan Compensation column reflect the incentive cash awards granted at the beginning of each year, earned based on performance during that fiscal year and paid in the following fiscal year. The 2018 awards are described in further detail under the headings Performance-Based Incentive Compensation and Incentive Cash Bonus in the Compensation Discussion and Analysis and are also reflected in the table Grants of Plan-Based Awards in Fiscal Year 2018 under the column Estimated Future Payouts Under Non-Equity Incentive Plan Awards.
- (3) Includes \$120,234, \$202,893, and \$51,879 for Mr. Kevin P. Reilly, Jr. and \$338,437, \$323,903, and \$375,894 for Mr. Sean E. Reilly for the personal use of the Company aircraft in 2018, 2017 and 2016, respectively, as further described below. The amounts included in the All Other Compensation column also include the following perquisites provided to our named executive officers (except as otherwise indicated), which are valued at the Company's incremental cost, none of which individually exceeded \$25,000: (a) personal use of a Company car,

(b) Company-paid health insurance premiums and medical reimbursements, (c) personal use of a Company-owned recreational facility by Mr. Sean E. Reilly and Mr. Kevin P. Reilly, Jr. and (d) Company-paid premiums for term life insurance for Mr. Kevin P. Reilly, Jr. Executives also have access to a country club at which the Company has a membership, but each executive pays all fees related to such personal use, resulting in no additional incremental cost to the Company.

The Company's incremental cost for personal use of the corporate aircraft is based on the incremental cost to the Company calculated based on the variable costs, related to the number of flight hours used, including fuel costs, landing/ramp fees, trip-related maintenance, crew travel expenses, supplies and catering, aircraft accrual expenses per hour of flight, any customs and foreign permit or similar fees. Our fixed costs that do not change based on usage, such as pilot salaries and the cost of maintenance not related to trips are excluded. The incremental cost to the Company for personal use of a Company car is calculated as a portion of the annual lease, mileage and fuel attributable to the personal use.

(4) Also includes employer contributions under the Company's deferred compensation plan of \$50,000 for each of Mr. Kevin P. Reilly, Jr., Mr. Sean E. Reilly and Mr. Istre for 2018, 2017 and 2016.

**Table of Contents**

- (5) Consists of performance-based stock awards in respect of 2018 performance and discretionary stock awards in respect of 2017 performance made in 2018. The ASC Topic 718 value of the performance-based stock awards was \$2,878,040 for each of Mr. Kevin P. Reilly, Jr. and Mr. Sean E. Reilly and \$2,223,940 for Mr. Istre. They each earned 100% of their performance-based stock awards based on achievement of performance goals for fiscal 2018, which awards were certified as earned by the Compensation Committee and issued on February 18, 2019. Additionally, on February 26, 2018, the Compensation Committee approved discretionary stock grants to each of Mr. Kevin P. Reilly, Jr., Mr. Sean E. Reilly and Mr. Istre for their 2017 contributions. The discretionary grant to Mr. Istre was made on February 26, 2018, and the ASC Topic 718 value of the discretionary shares awarded to Mr. Istre was \$823,229. The discretionary grants to Mr. Kevin P. Reilly, Jr. and Mr. Sean E. Reilly were made on March 9, 2018, after the receipt of necessary approvals under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the ASC Topic 718 value of the discretionary shares awarded to each of Mr. Kevin P. Reilly, Jr. and Mr. Sean E. Reilly was \$986,796.
- (6) Includes the payment of filing fees of \$45,000 on behalf of each of Mr. Kevin P. Reilly, Jr. and Mr. Sean E. Reilly in connection with filings made under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ( HSR Act ). The Compensation Committee reviewed the legal requirements under the HSR Act and the triggering events for the filing requirement as a result of incentive equity awards granted to such executive officers. Based on this review, the Compensation Committee approved the payment by the Company of the HSR Act filing fees otherwise payable by the executive officers. The Compensation Committee determined that these payments were appropriate because of the unavailability of an HSR Act exemption for receipt of stock by executive officers and because the filing obligation arose as a direct result of Mr. Kevin P. Reilly, Jr. and Mr. Sean E. Reilly serving as officers of the Company. The Compensation Committee further noted that the filing requirement was triggered by the cumulative holdings of the executive officers that were received over a long period of time during which they have made substantial contributions to the Company and its growth. Mr. Kevin P. Reilly, Jr. and Mr. Sean E. Reilly each were responsible for taxes due as a result of the Company paying the filing fees and they were not provided a tax gross-up payment related to the imputed compensation associated with this payment on their behalf.
- (7) No shares were earned based on achievement of performance goals for fiscal 2017 for each of Mr. Kevin P. Reilly, Jr., Mr. Sean E. Reilly and Mr. Istre.
- (8) The ASC Topic 718 value of the shares actually earned based on achievement of performance goals for fiscal 2016, which awards were certified as earned by the Compensation Committee and issued on February 20, 2017, was \$3,436,400 for each of Mr. Kevin P. Reilly, Jr. and Mr. Sean E. Reilly and \$2,655,400 for Mr. Istre.

**Table of Contents****Grants of Plan-Based Awards in Fiscal Year 2018**

| Name                 | Grant Date | Estimated Future Payouts Under Non-Equity Incentive Plan Awards <sup>(1)</sup> |             |              | Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(2)</sup> |            |             | All other stock awards: Number of shares of stock or units (#) | Grant Date Fair Value of Stock and Option Awards (\$) <sup>(4)</sup> |
|----------------------|------------|--|-------------|--------------|--|------------|-------------|--|--|
|                      |            | Threshold (\$)   | Target (\$) | Maximum (\$) | Threshold (#)  | Target (#) | Maximum (#) |  |  |
| Kevin P. Reilly, Jr. | 3/9/2018   |  |             |              |  |            |             | 14,667   | 986,796  |
|                      | 3/19/2018  | 162,500  | 250,000     | 500,000      | 28,600   | 44,000     | 44,000      |  | 2,878,040  |
| Sean E. Reilly       | 3/9/2018   |  |             |              |  |            |             | 14,667   | 986,796  |
|                      | 3/19/2018  | 260,000  | 400,000     | 800,000      | 28,600   | 44,000     | 44,000      |  | 2,878,040  |
| Keith A. Istre       | 2/26/2018  |  |             |              |  |            |             | 11,333   | 823,229  |
|                      | 3/19/2018  | 195,000  | 300,000     | 600,000      | 22,100   | 34,000     | 34,000      |  | 2,223,940  |

- (1) Represents the possible cash bonus granted under our 1996 Equity Incentive Plan that could be earned by achieving defined performance goals. Threshold amount assumes minimum attainment of both EBITDA and revenue levels to receive payment.
- (2) These awards constitute possible shares of our Class A Common Stock issuable upon achievement of defined performance goals under our 1996 Equity Incentive Plan. Threshold amount assumes minimum attainment of both EBITDA and revenue levels to receive payment.
- (3) These awards constitute discretionary shares of our Class A Common Stock issued under our 1996 Equity Incentive Plan.
- (4) Reflects the aggregate grant date fair value in accordance with ASC Topic 718 assuming the probable outcome of achievement, which for performance stock awards on the grant date was expected to be 100% of the target equity incentive award amount, rather than the value of the actual award earned on the date when issued to the officer. For the assumptions underlying the valuation of these awards see Note 15 to the Consolidated Financial Statements included in our Annual Report on Form 10-K/A for the fiscal year ended December 31, 2018, filed with the SEC on February 26, 2019.

**Outstanding Equity Awards at Fiscal Year-End 2018**

| Name                 | Option Awards   |   | Option Exercise Price (\$) | Option Expiration Date |
|----------------------|---|---|----------------------------|------------------------|
|                      | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable |                            |                        |
| Kevin P. Reilly, Jr. | 100,000 <sup>(1)</sup>  | 0 <sup>(1)</sup>  | 42.21                      | 1/24/2023              |
| Sean E. Reilly       | 100,000 <sup>(1)</sup>  | 0 <sup>(1)</sup>  | 42.21                      | 1/24/2023              |
| Keith A. Istre       | 4,209 <sup>(1)</sup>  | 0 <sup>(1)</sup>  | 42.21                      | 1/24/2023              |

- (1) Granted on January 24, 2013. 20% of the award vested immediately upon grant, and an additional 20% vested on the next four anniversaries of the grant date.

**Table of Contents****Option Exercises and Stock Vested in Fiscal Year 2018**

| Name                 | Option Awards                             |  | Stock Awards                             |                                |
|----------------------|---|--|--|--------------------------------|
|                      | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise (\$) <sup>(1)</sup> | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting (\$) |
| Kevin P. Reilly, Jr. |   |  |  |                                |
| Sean E. Reilly       |   |  |  |                                |
| Keith A. Istre       | 45,791                                    | 1,278,479.27                                   |  |                                |

- (1) Calculated as the product of (a) the number of shares of Class A Common Stock for which the stock options were exercised and (b) the excess of the closing price of our Class A Common Stock on the NASDAQ Global Select Market on the date of the exercise over the applicable exercise price per share of the stock options.

**Non-Qualified Deferred Compensation for Fiscal Year 2018**

| Name                 | Registrant Contributions in Last FY (\$) <sup>(1)</sup> | Aggregate Earnings (Loss) in Last FY (\$) <sup>(2)</sup> | Aggregate Balance at Last FYE (\$) <sup>(3)</sup> |
|----------------------|---|--|---|
| Kevin P. Reilly, Jr. | 50,000  | (479,439.03)   | 5,260,796.41                                      |
| Sean E. Reilly       | 50,000  | (97,419.85)  | 1,447,670.78                                      |
| Keith A. Istre       | 50,000  | (33,664.00)  | 1,004,735.88                                      |

- (1) Amounts in this column are included in the All Other Compensation column in the 2018 Summary Compensation Table.
- (2) Amounts in this column are not included in the 2018 Summary Compensation Table because they were not preferential or above market.
- (3) This column includes amounts in each named executive officer's total deferred compensation account as of the last day of fiscal 2018, which includes (i) the following total previous contributions reported in each of the Company's previous proxy statements: Mr. Kevin P. Reilly, Jr., \$1,011,500; Mr. Sean E. Reilly, \$715,000; and Mr. Keith A. Istre, \$661,500; and (ii) aggregate earnings on all previously contributed amounts. This column does not include contributions for each officer for the 2018 fiscal year, which were made in January 2019 and reported in the first column.

The Company sponsors a deferred compensation plan for the benefit of certain of its board-elected officers who meet specific age, years of service and other criteria. Officers that have attained the age of 30, have a minimum of 10 years of service and satisfy additional eligibility guidelines are eligible for annual Company contributions to the plan, depending on the employee's length of service. The Company's contributions to the plan are maintained in a rabbi trust. Upon termination, death or disability, participating employees are eligible to receive an amount equal to the fair market value of the assets in the employee's deferred compensation account either in a lump sum distribution or in

twenty percent installments over a five-year period.

***Pay Ratio***

Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the SEC adopted a rule requiring public companies to annually disclose the pay ratio between their median employee's annual total compensation and the total compensation of the principal executive officer. The Company's principal executive officer is Mr. Sean E. Reilly, its Chief Executive Officer.

For 2018:

the annual total compensation of the median of all Company employees (other than its Chief Executive Officer) was \$57,499.



**Table of Contents**

the annual total compensation of the Company's Chief Executive Officer, as reported in the Summary Compensation Table on page 26 of this proxy statement, was \$5,559,110.

Based on this information, for 2018 the ratio of the annual total compensation of the Company's Chief Executive Officer to the annual total compensation of our median employee, as required to be reported pursuant to Item 402 of Regulation S-K, was 96.7:1.

The annual total compensation of the Company's Chief Executive Officer as reported above is the amount reported in the Summary Compensation Table. As detailed in footnote 1 to the Summary Compensation Table, this amount includes the aggregate grant date fair value of a performance-based stock award assuming the probable outcome of achievement of performance targets, but does not reflect the actual performance-based stock award earned by the Company's Chief Executive Officer.

The median employee was identified using a listing of all employees as of December 31, 2018, and calculating the median amount of total 2018 compensation as it would be reported based on the IRS instructions for Box 5, Medicare wages and tips. Actual amounts reported on Box 5 for 2018 were used for all employees who were employed throughout the entire year. We further annualized pay for those individuals not employed for a full year in 2018. Once we identified our median employee, we calculated such employee's annual total compensation for 2018 in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K.

This pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules based on the Company's payroll and employment records and the methodology described above. The SEC rules for identifying the median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions, and to make reasonable estimates and assumptions that reflect their compensation practices. As such, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies may have different employment and compensation practices and may utilize different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

**Table of Contents****Director Compensation in Fiscal Year 2018**

The following table sets forth a summary of the compensation we paid to our non-employee directors during 2018. Mr. Kevin P. Reilly, Jr. receives no additional compensation for Board service.

| <b>Name</b>                           | <b>Fees Earned<br/>or Paid in<br/>Cash (\$)</b> | <b>Stock<br/>Awards (\$)<sup>(1)</sup></b> | <b>Total<br/>(\$)</b> |
|---------------------------------------|---|--|-----------------------|
| John Maxwell Hamilton <sup>(2)</sup>  | 25,333  |  | 25,333                |
| John E. Koerner, III <sup>(3)</sup>   | 71,000  | 70,000                                     | 141,000               |
| Marshall Loeb <sup>(4)</sup>          | 36,333  | 55,000                                     | 91,333                |
| Stephen P. Mumbrow                    | 83,500  | 75,000                                     | 158,500               |
| Thomas V. Reifenheiser <sup>(5)</sup> | 72,500  | 70,000                                     | 142,500               |
| Anna Reilly <sup>(6)</sup>            | 50,000  | 50,000                                     | 100,000               |
| Wendell Reilly <sup>(7)</sup>         | 50,000  | 50,000                                     | 100,000               |

- (1) Reflects the aggregate grant date fair value recognized for financial statement reporting purposes for fiscal year 2018 in accordance with ASC Topic 718 that relates to the value of the shares awarded upon each director's election in 2018. For the assumptions underlying the valuation of these awards see Note 15 to the Consolidated Financial Statements included in our Annual Report on Form 10-K/A for the fiscal year ended December 31, 2018, filed with the SEC on February 26, 2019.
- (2) Mr. Hamilton served as a director until the 2018 Annual Meeting on May 17, 2018.
- (3) As of December 31, 2018, Mr. Koerner held options to purchase 20,000 shares of the Company's Class A Common Stock.
- (4) Mr. Loeb became a director at the 2018 Annual Meeting on May 17, 2018.
- (5) As of December 31, 2018, Mr. Reifenheiser held options to purchase 17,200 shares of the Company's Class A Common Stock.
- (6) As of December 31, 2018, Ms. Reilly held options to purchase 10,000 shares of the Company's Class A Common Stock.
- (7) As of December 31, 2018, Mr. Wendell Reilly held options to purchase 4,000 shares of the Company's Class A Common Stock.

For 2018, we paid our non-employee directors annual fees in cash of \$50,000, paid monthly. We also reimburse non-employee directors for travel expenses incurred to attend Board and committee meetings and expenses incurred to perform other related responsibilities.

Each member of a committee (including the chair of such committee) of the Board of Directors also received an annual committee meeting fee, paid semi-annually in cash, for each committee on which they serve. For each Audit Committee member, the annual fee is \$7,500. For each Compensation Committee member and Nominating and Governance Committee member, the annual fee is \$3,000.

In 2018, the Chairman of the Audit Committee received an additional annual fee of \$20,000. In 2018, the Chairman of the Compensation and the Nominating and Governance Committees each received an additional annual fee of \$9,000. These fees are paid on a quarterly basis.

Each non-employee director automatically receives upon his election or re-election at an annual meeting of stockholders a restricted stock award in shares of the Company's Class A Common Stock with a fair market value as set forth below (rounded down to the nearest whole share), which fair market value is determined based upon the closing price of the Class A Common Stock on the date of such election, 50% of which is fully vested on the grant date and 50% of which vests on the last day of such director's one-year term (the business day prior to the Company's next annual meeting of stockholders) with

**Table of Contents**

pro-rated grants upon an election other than at an annual meeting of stockholders whether by action of the Board or the stockholders to fill a vacancy or otherwise.

| <b>Non-Employee Director</b>                 | <b>Fair Market Value<br/>of Restricted<br/>Stock Grant</b> |
|--|--|
| Non-Committee Members                        | \$ 50,000  |
| Committee Members (not Chair)                | \$ 55,000  |
| Chair of Compensation Committee              | \$ 70,000  |
| Chair of Nominating and Governance Committee | \$ 70,000  |
| Chair of Audit Committee                     | \$ 75,000  |

**EQUITY COMPENSATION PLAN INFORMATION**

The following table provides information as of December 31, 2018, with respect to shares of our Class A Common Stock that may be issued under our existing compensation plans.

| <b>Plan Category</b>  | <b>(a) Number of securities<br/>to be issued<br/>upon<br/>exercise of<br/>outstanding options,<br/>warrants and rights</b> | <b>(b) Weighted-average<br/>exercise<br/>price of<br/>outstanding<br/>options,<br/>warrants<br/>and rights</b> | <b>(c) Number of securities<br/>remaining<br/>available for<br/>future issuance<br/>under<br/>equity<br/>compensation<br/>plans<br/>(excluding<br/>securities<br/>reflected in<br/>column (a))</b> |
|---|--|--|--|
| Equity compensation plans approved by security holders <sup>(1)</sup> | 1,123,209 <sup>(2)</sup>   | \$ 49.65 <sup>(3)</sup>  | 1,158,459 <sup>(4)(5)</sup>  |
| Equity compensation plans not approved by security holders            | n/a  | n/a  | n/a  |
| <b>Total</b>  | <b>1,123,209</b>   | <b>\$ 49.65</b>  | <b>1,158,459</b>   |

(1) Consists of the Company's 1996 Equity Incentive Plan, as amended and 2009 Employee Stock Purchase Plan, as amended.

(2) Includes shares issuable upon achievement of outstanding performance-based awards under the 1996 Equity Incentive Plan. Does not include purchase rights accruing under the 2009 Employee Stock Purchase Plan, because the purchase price (and therefore the number of shares to be purchased) will not be determined until the end of the purchase period.

- (3) Does not take into account shares issuable upon achievement of outstanding performance-based awards, which will be issued for no consideration.
- (4) Includes shares available for future issuance under the 2009 Employee Stock Purchase Plan. Under the evergreen formula of this plan, on the first day of each fiscal year beginning with 2010, the aggregate number of shares that may be purchased through the exercise of rights granted under the plan is increased by the lesser of (a) 500,000 shares, (b) one-tenth of one percent of the total number of shares of Class A Common Stock outstanding on the last day of the preceding fiscal year, and (c) a lesser amount determined by the Board of Directors. On January 1, 2019, 85,162 shares of Class A Common Stock were added to the 2009 Employee Stock Purchase Plan pursuant to the evergreen formula.
- (5) In addition to stock option awards, the 1996 Equity Incentive Plan, as amended and as currently in effect, provides for the issuance of restricted stock, unrestricted stock and stock appreciation rights.

**Table of Contents**

**PROPOSAL NO. 2: TO APPROVE AN AMENDMENT AND  
RESTATEMENT OF THE COMPANY S 1996 EQUITY INCENTIVE PLAN**

We are asking stockholders to approve an amendment and restatement of the Company s 1996 Equity Incentive Plan (the Incentive Plan ) to increase the number of shares of Class A Common Stock of the Company available for issuance under the plan by 2,000,000 shares so that the aggregate number of shares of Class A Common Stock available for issuance under the Incentive Plan is increased from 15,500,000 shares to 17,500,000 shares. We believe the Incentive Plan is essential to our ability to attract and retain highly qualified employees in an extremely competitive environment in which employees view cash and equity incentives as an important component of their compensation. The description below summarizes the material provisions of the Incentive Plan and is qualified entirely by reference to the full text of the Incentive Plan, as amended by our Board of Directors and subject to stockholder approval, as set forth in [Appendix A](#).

**Summary of the Incentive Plan**

**General**

The Incentive Plan is designed to provide us flexibility in awarding cash and equity incentives by providing for different types of incentives that may be awarded. The purpose of the Incentive Plan is to attract and retain directors, key employees and consultants of the Company and our eligible affiliated companies, to provide an incentive for participants to achieve long-range performance goals, and to enable participants to contribute to our long-term growth.

The Company adopted the original plan in July 1996. At that time, 2,000,000 shares of Class A Common Stock were initially reserved for issuance. The number of shares reserved for issuance under the plan increased to 3,000,000 shares as a result of a 3-for-2 stock split effected in February 1998, and further increased to 4,000,000 shares in 1999, 5,000,000 shares in 2000, 8,000,000 shares in 2002, 10,000,000 shares in 2004, 13,000,000 shares in 2009 and 15,500,000 in 2013 as a result of stockholder approvals of amendments to the Incentive Plan at the Annual Meetings of Stockholders held in those years. The number of shares reserved for issuance under the Incentive Plan includes shares subject to options already granted and shares issued pursuant to options already exercised.

**Administration and Eligibility**

Awards under the Incentive Plan can be granted to employees, consultants, and directors of the Company as well as employees and consultants of our eligible subsidiaries who are capable of contributing significantly to the Company s successful performance. The Compensation Committee administers the Incentive Plan, selects the participants, and establishes the terms and conditions of each award granted under the Incentive Plan, including the number of shares underlying options or other equity rights, the exercise price of such options or equity rights, and the time(s) at which such options or equity rights become exercisable.

Subject to certain limitations, the Compensation Committee may delegate to one or more executive officers of the Company the power to make awards (and all determinations relating to such awards) to participants who are not subject to Section 16 of the Securities Exchange Act of 1934 or covered employees for purposes of Section 162(m) of the Code.

As of April 1, 2019, approximately 3,550 employees of the Company and its affiliates, including the Company s three named executive officers and its six directors (who are not executive officers), were eligible to participate in the Incentive Plan. As of that date, approximately 114 participants had outstanding awards under the Incentive Plan.



## **Table of Contents**

### **Types of Awards**

The Incentive Plan allows the Compensation Committee to grant the following types of cash and equity-based awards:

incentive stock options ( ISOs ) for the purchase of shares of Class A Common Stock (the exercise prices of which must be at least equal to 100% of the fair market value of the shares underlying the options on the date of grant, and the terms of which may not exceed ten years);

nonstatutory stock options for the purchase of shares of Class A Common Stock;

restricted shares of Class A Common Stock;

unrestricted shares of Class A Common Stock;

stock appreciation rights;

restricted stock units;

performance awards (payable in cash, restricted stock, and unrestricted stock);

performance-based compensation (payable in cash, restricted stock, and unrestricted stock); and

other stock-based awards, such as convertible stock.

In granting performance awards and performance-based compensation to participants, the Compensation Committee establishes the performance goals (*i.e.*, performance measures corresponding to a designated period) that must be attained in order for a participant to earn the award. Performance goals may be particular to a participant or may be based on the performance of one of the Company's divisions, departments, lines of business, subsidiaries or other business units. Performance measures include, among others, various measures of sales, revenues, assets, expenses, EBITDA, return on equity, return on investment, return on capital, return on assets, operating ratios, market share, cash flow, stock price, stockholder returns, acquisition activity, and financing transactions.

### **Other Terms of Awards**

The Incentive Plan provides other basic terms that govern cash and equity-based awards, such as the following.

*Limits on Individual Grants.* The Incentive Plan limits the number of shares underlying equity awards and the amount of cash that may be granted to a single individual in any calendar year to 350,000 shares and \$2 million, respectively. The Incentive Plan imposes this limitation consistent with prior practice under the repealed performance-based



remuneration provisions of Section 162(m) of the Code.

*Tax Withholding.* The Company reserves the right to withhold amounts from awards to satisfy any withholding and other tax obligations.

*Amendment of an Award.* The Compensation Committee has authority to amend, modify, and terminate any outstanding award. The participant's consent will be required, except for certain modifications of options or except where the Compensation Committee determines that the action would not materially and adversely affect the participant.

## **Table of Contents**

*Transferability.* Subject to the Code's restrictions on the transfer of ISOs, the Compensation Committee has discretion to allow specific awards to be transferred upon such terms and conditions as the Compensation Committee deems appropriate.

*Adjustments for Stock Splits, Dividends, Mergers, and Similar Actions.* In the event of a stock split, certain dividends, mergers, and similar actions, the Incentive Plan provides for adjustments to the number of shares underlying equity awards, the exercise price of equity awards, and the amount of cash awards in order to preserve the benefits intended to be provided by the Incentive Plan.

*Change-in-Control.* In the event of a change-in-control of the Company, the Compensation Committee has the power to preserve the rights of participants by, among other things, accelerating the vesting of, cashing-out or adjusting outstanding awards, or causing an acquiror to assume or substitute rights for any outstanding awards. The Incentive Plan provides the Compensation Committee with the authority to define a change-in-control for these purposes.

*Termination.* The Compensation Committee has discretion to determine how termination of a participant's employment or engagement affects an award.

## **Incentive Plan Activity**

As of April 1, 2019, an aggregate of 2,782,815 restricted and unrestricted shares of Class A Common Stock have been awarded under the Incentive Plan and options to purchase an aggregate of 15,319,684 shares of Class A Common Stock had been granted under the Incentive Plan, of which options to purchase 3,881,820 shares had been cancelled and options to purchase 10,706,526 shares had been exercised. As of that date, 719,700 shares remained available for the granting of awards under the Incentive Plan.

No awards other than restricted stock, unrestricted stock, option grants and cash awards have been granted under the Incentive Plan to date. In March 2019, the Compensation Committee approved performance-based cash and equity bonus programs for the Company's executive officers for fiscal 2019. The unrestricted shares will not be counted against the number of shares reserved for awards under the Incentive Plan and the potential cash bonuses will not be counted against the amount reserved for awards under the Incentive Plan, if at all, until the unrestricted shares and cash are actually awarded upon the Compensation Committee's determination and certification that the relevant performance goals have been met.

If any award expires, is terminated unexercised or is forfeited or settled in a manner that results in fewer shares outstanding than were originally awarded, the shares subject to such award, to the extent of such expiration, termination, forfeiture or decrease, shall again be available for award under the Incentive Plan.

As the amount of any awards under the Incentive Plan is within the Compensation Committee's discretion, total awards that may be granted for the current fiscal year are not determinable until completion of the year. The following table sets forth shares underlying awards granted under the Incentive Plan from its inception through April 1, 2019, which amounts include shares underlying awards granted under the Incentive Plan that have been cancelled or otherwise terminated as described in the preceding paragraph (including options granted under the Incentive Plan that were cancelled in connection with the Company's tender offer completed on July 2, 2009, to exchange options to purchase an aggregate of 2,630,474 shares for new options to purchase an aggregate of 1,030,819 shares). As of December 31, 2018, the weighted-average exercise price of the outstanding options granted under the Incentive Plan was \$49.65. The closing price of the Company's Class A Common Stock as reported on the Nasdaq Stock Market on April 1, 2019, was \$80.67.



**Table of Contents****Awards to Date to Executive Officers, Current Directors and Employees****Under the 1996 Equity Incentive Plan**

| <b>Name</b>  | <b>Number of Shares<br/>of Class A<br/>Common Stock<br/>Underlying Options<br/>and Stock Awards</b> |
|--|---|
| <b>Executive Officers:</b>   |   |
| Kevin P. Reilly, Jr., <i>Chairman of the Board and President</i>                                   | 832,377   |
| Sean E. Reilly, <i>Chief Executive Officer</i>   | 832,377   |
| Keith A. Istre, <i>Chief Financial Officer and Treasurer</i>                                       | 836,113   |
| Current executive officers as a group (3 persons)  | 2,500,867   |
| Current directors who are not executive officers as a group (6 persons)                            | 251,152   |
| Other company employees as a group (including all current officers who are not executive officers) | 15,280,271  |

Of the nominees for election as director, Mr. Mumblow has received 19,136 shares of Class A Common Stock and options to purchase a total of 58,000 shares, Mr. Reifenhiser has received 17,608 shares of Class A Common Stock and options to purchase a total of 62,000 shares, Mr. Koerner has received 13,472 shares of Class A Common Stock and options to purchase a total of 20,000 shares, Mr. Loeb has received 810 shares of Class A Common Stock and has not received any options to purchase shares, Ms. Reilly has received 10,063 shares of Class A Common Stock and options to purchase a total of 20,000 shares, Mr. Wendell Reilly has received 10,063 shares of Class A Common Stock and options to purchase a total of 20,000 shares, and awards to Mr. Kevin P. Reilly, Jr. are described in the table above. No equity awards have been granted to Ms. Thompson. No person has received five percent of the options granted under the Incentive Plan.

**Amendment**

In February 2019, our Board of Directors voted, subject to stockholder approval, to amend and restate the Incentive Plan to increase the aggregate number of shares of Class A Common Stock available for awards under such plan by an additional 2,000,000 shares to an aggregate of 17,500,000 shares, subject to adjustment for stock-splits and similar capital changes. The Incentive Plan does not vary from the previous version of the plan in any other material respect. Approval of this amendment is required by the rules of the Nasdaq Stock Market and so that any options granted with respect to the additional plan shares under the Incentive Plan will qualify as incentive stock options. We believe that the share increase is necessary and appropriate to enable us to attract and retain employees with the skills necessary to support our business and strategic plans, including employees of companies acquired by us. We believe that participation in the Incentive Plan provides employees with additional incentives that promote loyalty, dedication and attention to our long-term strategies that promote increased stockholder value. Furthermore, we believe that the increase of 2,000,000 shares available for issuance out of a total of 85,584,434 Class A Common Stock shares issued and outstanding as of April 1, 2019, or 2.34% of the total shares of Class A Common Stock outstanding, is not likely to result in material dilution to our stockholders and will be sufficient to meet anticipated awards under the Incentive Plan for the next five years. However, a change in business conditions or our strategy could alter any of these projections.

If the amendment and restatement of the Incentive Plan is approved, the Compensation Committee will be able to grant awards to eligible participants at its discretion. Consequently, with the exception noted below, it is not possible to determine at this time the amount or dollar value of awards to be provided under the Incentive Plan. As of the date of this proxy statement, the Compensation Committee has not granted any awards that are contingent upon stockholder approval of the amendment and restatement of the Incentive Plan.

**Table of Contents**

In 2016, the Compensation Committee adopted a proposal to grant restricted stock to each individual who may thereafter become a non-employee director of the Company, automatically upon his or her election or reelection to a one-year term as a non-employee director of the Company at the Annual Meeting of Stockholders (commencing with the 2016 Annual Meeting of Stockholders). Each such qualifying director will be awarded restricted stock with a fair market value of (i) \$50,000 for non-committee members, (ii) \$55,000 for committee members (not chair), (iii) \$70,000 for the Chair of the Compensation Committee, (iv) \$70,000 for the Chair of the Nominating and Governance Committee and (v) \$75,000 for the Chair of the Audit Committee, with the fair market value being based upon the closing price of the Class A Common Stock on the date of election. Under these standing resolutions, each non-employee director who is elected or reelected as a director will be granted such awards.

The following table illustrates the total dollar value of such awards that will be granted annually upon such election or reelection (assuming that the number of non-employee directors on the Board remains constant), but omits the total amount of the awards because such amount is based on the closing price of our Class A Common Stock on the date of grant and, therefore, is not presently determinable:

**New Plan Benefits****1996 Equity Incentive Plan**

| Name   | Dollar<br>Value (\$) | Number<br>of<br>Units |
|--|----------------------|-----------------------|
| Executive Officers:  |                      |                       |
| Kevin P. Reilly, Jr., <i>Chairman of the Board and President</i>                                   |                      |                       |
| Sean E. Reilly, <i>Chief Executive Officer</i>   |                      |                       |
| Keith A. Istre, <i>Chief Financial Officer and Treasurer</i>                                       |                      |                       |
| Current executive officers as a group (3 persons)  |                      |                       |
| Current directors who are not executive officers as a group (6 persons)                            | \$ 370,000           |                       |
| Other company employees as a group (including all current officers who are not executive officers) |                      |                       |

**Federal Income Tax Consequences Relating to Certain Awards**

The following is only a summary of the tax consequences to participants receiving certain awards and does not purport to be complete.

*Incentive Stock Options.* An optionee does not realize taxable income upon the grant or exercise of an ISO under the Incentive Plan. If no disposition of shares issued to an optionee pursuant to the exercise of an ISO is made by the optionee within two years from the date of grant or within one year from the date of exercise, then (a) upon sale of such shares, any amount realized in excess of the option price (the amount paid for the shares) is taxed to the optionee as a capital gain and any loss sustained will be a capital loss and (b) no deduction is allowed to the Company for federal income tax purposes. The exercise of ISOs gives rise to an adjustment in computing alternative minimum taxable income that may result in alternative minimum tax liability for the optionee.

If shares of common stock acquired upon the exercise of an ISO are disposed of prior to the expiration of the two-year and one-year holding periods described above, a disqualifying disposition, then (a) the optionee realizes ordinary income in the year of disposition in an amount equal to the excess (if



## **Table of Contents**

any) of the fair market value of the shares at exercise (or, if less, the amount realized on a sale of such shares) over the option price thereof and (b) the Company is entitled to deduct such amount. Any further gain realized is taxed as a capital gain and does not result in any deduction to the Company. A disqualifying disposition in the year of exercise may avoid the alternative minimum tax consequences of the exercise of an ISO.

*Nonstatutory Stock Options.* No income is realized by the optionee at the time a nonstatutory option is granted. Upon exercise, (a) ordinary income is realized by the optionee in an amount equal to the difference between the option price and the fair market value of the shares on the date of exercise and (b) the Company receives a tax deduction for the same amount. Upon disposition of the shares, appreciation or depreciation after the date of exercise is treated as a capital gain or loss and will not result in any deduction by the Company.

*Restricted Stock.* Unless the recipient files an election to be taxed under Section 83(b) of the Code: (a) the recipient will not realize income upon the grant of restricted stock; (b) the recipient will realize ordinary income, and the Company will be entitled to a corresponding deduction, when the restrictions have been removed or expire; and (c) the amount of such ordinary income and deduction will be the fair market value of the restricted stock on the date the restrictions are removed or expire. If the recipient files an election to be taxed under Section 83(b) of the Code, the tax consequences to the recipient and the Company will be determined as of the date of the grant of the restricted stock rather than as of the date of the removal or expiration of the restrictions.

When the recipient disposes of restricted stock, the difference between the amount received upon such disposition and the fair market value of such shares on the date the recipient realizes ordinary income will be treated as a capital gain or loss, long-term or short-term, based upon how long the shares are held.

*Unrestricted Stock.* With respect to awards of unrestricted stock: (a) the recipient will realize ordinary income, and the Company will be entitled to a corresponding deduction upon the grant of the unrestricted stock and (b) the amount of such ordinary income and deduction will be the fair market value of such unrestricted stock on the date of grant.

When the recipient disposes of unrestricted stock, the difference between the amount received upon such disposition and the fair market value of such shares on the date the recipient realizes ordinary income will be treated as a capital gain or loss, long-term or short-term, based upon how long the shares are held.

## **Required Vote**

The affirmative vote of a majority of the total votes properly cast on this proposal will constitute the approval of an amendment and restatement of the Incentive Plan to increase the number of shares of Class A Common Stock of the Company available for issuance under the plan by 2,000,000 shares. Abstentions and broker non-votes will not be treated as votes cast for the purpose of determining the outcome of the vote on this proposal.

**The Board of Directors recommends a vote FOR this Proposal.**



**Table of Contents**

**PROPOSAL NO. 3: TO APPROVE THE COMPANY'S  
2019 EMPLOYEE STOCK PURCHASE PLAN**

**General**

In February 2019, the Board of Directors adopted the 2019 Employee Stock Purchase Plan (the "2019 Plan"). The 2019 Plan will replace the Company's existing 2009 Employee Stock Purchase Plan ("2009 ESPP"), which is set to expire on July 1, 2019. Subject to approval of the 2019 Plan, the 2009 ESPP shall terminate effective following the issuance of all shares that are subject to the offer commenced under the 2009 ESPP on January 1, 2019 that will end on June 30, 2019.

Under the 2019 Plan, eligible employees of the Company may purchase shares of Class A Common Stock at a discount from fair market value. The purpose of the 2019 Plan is to provide employees of the Company who wish to become stockholders of the Company an opportunity to purchase Class A Common Stock of the Company. Although approval of the 2019 Plan is not required by applicable law or resolutions, it is required in order for the 2019 Plan to qualify under Section 423 of the Code. Qualification under Section 423 of the Code will permit the Company's employees to benefit from the favorable tax treatment described below. If the stockholders are opposed to the proposal, the Board of Directors will not commence any offerings under the 2019 Plan. The Board of Directors believes this provides a potentially significant benefit to employees and is in the interests of the Company and its stockholders generally.

The following is a summary of the 2019 Plan's principal features. The full text of the 2019 Plan is set forth in [Appendix B](#).

**Administration and Eligibility**

300,000 shares of Class A Common Stock (subject to adjustments for stock-splits and similar capital changes) are reserved for issuance under the 2019 Plan, plus (i) all shares, if any, that remain available for purchase under the 2009 ESPP upon its termination on June 30, 2019 and (ii) an annual increase of a maximum of 500,000 shares per year beginning in 2020. As of April 1, 2019, approximately 3,550 employees would have been eligible to participate under the 2019 Plan. To date, no shares of Class A Common Stock have been issued under the 2019 Plan. Subject to stockholder approval, the 2019 Plan is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423. Rights to purchase Class A Common Stock under the 2019 Plan are granted at the discretion of the Compensation Committee, which determines the frequency and duration of individual offerings under the 2019 Plan and the dates when shares may be purchased. Offerings may last up to 27 months, or such longer period as may then be consistent with Section 423 of the Code, however the Company currently expects that each offering will last six months. Eligible employees participate voluntarily and may withdraw from any offering at any time before shares are purchased. Participation terminates automatically upon termination of employment, except termination because of disability or death.

The purchase price per share of Class A Common Stock in an offering is determined by the Compensation Committee from time to time; provided that the purchase price per share shall not be less than 85% of the lesser of its fair market value at the beginning of the offering period or on the applicable exercise date. The purchase price may be paid through payroll deductions, lump sum payments, delivery of shares of Class A Common Stock of the Company, or a combination thereof subject to the discretion of the Compensation Committee, but purchases are currently being allowed only through payroll deductions. The 2019 Plan terminates on July 1, 2029.

In accordance with Section 423 of the Code, no employee may participate in an offering under the 2019 Plan if, immediately after the right to acquire shares of Class A Common Stock in the offering is

## **Table of Contents**

granted, the employee would own 5% or more of the voting stock of the Company (including stock that may be purchased through subscriptions under the 2019 Plan or any other options), nor may an employee buy more than \$25,000 worth of stock (determined by the fair market value of the Class A Common Stock at the time the right to purchase the Class A Common Stock is granted) through the 2019 Plan in any calendar year.

## **Federal Income Tax Consequences**

If the stockholders approve the 2019 Plan, participants will not realize taxable income at the commencement of an offering or at the time shares are purchased under the 2019 Plan. If a participant holds shares purchased under the 2019 Plan for the prescribed statutory holding periods (*ie.* until the later of two years from the offering commencement date and one year from the purchase date), then upon sale of the shares, the participant will be treated as having received taxable compensation income of 15% of the fair market value of the stock at the commencement of the offering (or, if less, any amount realized on sale of such shares in excess of the purchase price). No deduction will be allowed to the Company for Federal income tax purposes upon the purchase of shares or, if the participant waits the prescribed period to sell, upon sale. However, if the participant does not wait the prescribed period to sell, he or she will be treated as having received taxable compensation income upon sale equal to the excess of the fair market value of the stock on the date of purchase over the actual purchase price, and the Company will be allowed to deduct that amount. In either case, any difference over or under the participant's tax cost (the purchase price plus the amount of taxable compensation income that the participant recognizes upon sale of the shares) will be treated as capital gain or loss.

Assuming stockholder approval, if a participant dies during the two-year holding period while owning shares purchased under the 2019 Plan, 15% of the fair market value of the shares at the commencement of the offering period (or, if less, the fair market value of such shares on the date of death in excess of the purchase price) is taxed to the participant as ordinary income in the year of death, and the Company would not be allowed a deduction for Federal income tax purposes.

If the stockholders do not approve the 2019 Plan, a participant will be treated as having received taxable compensation income at the time of purchase equal to the excess of the fair market value of the shares on the date of purchase over the actual purchase price, and the Company will be allowed to deduct that amount. If the stockholders do not approve the 2019 Plan, no offerings will commence after the date of disapproval.

## **New Plan Benefits**

If the 2019 Plan is approved, eligible employees may purchase shares of Class A Common Stock of the Company at their discretion, subject to the limitations under Section 423 of the Code described above. Consequently, it is not possible for us to determine the amounts or benefits that our employees will receive under the 2019 Plan at this time.

## **Required Vote**

The affirmative vote of a majority of the total votes properly cast on this proposal will constitute the approval of the 2019 Plan. Abstentions and broker non-votes will not be treated as votes cast for the purpose of determining the outcome of the vote on this proposal.

**The Board of Directors recommends a vote FOR this Proposal.**



**Table of Contents**

**AUDIT COMMITTEE REPORT**

The following is the report of the Audit Committee with respect to the Company's audited financial statements for the year ended December 31, 2018.

The purpose of the Audit Committee is to assist the Board in fulfilling its responsibility to oversee the Company's accounting and financial reporting, internal controls, and audit functions. The Audit Committee Charter describes in greater detail the full responsibilities of the committee. The Audit Committee is comprised entirely of independent directors as defined by applicable Nasdaq Stock Market listing standards.

Management is responsible for our internal controls and the financial reporting process. The Company's independent registered public accounting firm is responsible for performing an independent audit of our consolidated financial statements and internal control over financial reporting in accordance with the standards established by the Public Company Accounting Oversight Board (United States) (PCAOB) and issuing a report thereon. The Audit Committee's responsibility is to monitor these processes. The Audit Committee has reviewed and discussed the consolidated financial statements with management and KPMG LLP, our independent registered public accounting firm.

In the course of its oversight of the Company's financial reporting process, the Audit Committee of the Board of Directors has:

reviewed and discussed with management the Company's audited financial statements for the fiscal year ended December 31, 2018;

discussed with KPMG LLP, the Company's independent registered public accounting firm, the matters required to be discussed by PCAOB Auditing Standards No. 1301;

reviewed and discussed with management and KPMG LLP the Company's report on internal controls over financial reporting and the adequacy and effectiveness of the Company's disclosure controls and procedures;

received the written disclosures and the letter from KPMG LLP required by applicable requirements of the PCAOB regarding KPMG's communications with the Audit Committee concerning independence;

discussed with KPMG LLP its independence; and

considered whether the provision of non-audit services by KPMG LLP is compatible with maintaining its independence.

Based on the foregoing review and discussions, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's annual report on Form 10-K for the year ended December 31, 2018, for filing with the SEC.

By the Audit Committee,

Stephen P. Mumblow (*Chair*)

John E. Koerner, III

Marshall Loeb

Thomas V. Reifenheiser

**Table of Contents**

**PROPOSAL NO. 4: RATIFICATION OF INDEPENDENT  
REGISTERED PUBLIC ACCOUNTING FIRM**

The firm of KPMG LLP, an independent registered public accounting firm, has audited our financial statements for each of the years ending December 31, 2018, 2017 and 2016. Our Audit Committee has appointed them to serve as our independent registered public accounting firm for the fiscal year ending December 31, 2019. Representatives of KPMG LLP are expected to attend the Annual Meeting to respond to appropriate questions. Representatives of KPMG LLP will also have the opportunity to make a statement, if they desire.

Detailed disclosure of the audit, audit-related and tax fees we paid to KPMG LLP in 2018 and 2017 is set forth below. Based on these disclosures and information in the Audit Committee Report on page 41 of this proxy statement, our Audit Committee is satisfied that our accountants are sufficiently independent of management to perform their duties properly.

Although not legally required to do so, our Board considers it desirable to seek, and recommends, stockholder ratification of our selection of KPMG LLP as our independent registered public accounting firm for fiscal 2019. If the stockholders fail to ratify our selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the best interest of the Company and its stockholders.

**Audit Fees and Services**

The fees for services provided by KPMG LLP to the Company in 2018 and 2017 were as follows:

|                                   | <b>Fiscal<br/>2018</b> | <b>Fiscal<br/>2017</b> |
|-----------------------------------|------------------------|------------------------|
| Audit Fees <sup>(1)</sup>         | \$ 1,957,000           | \$ 1,699,650           |
| Audit-Related Fees <sup>(2)</sup> | 22,000                 | 22,500                 |
| Tax Fees <sup>(3)</sup>           | 159,604                | 118,352                |
| All Other Fees                    |                        |                        |
| <b>Total</b>                      | <b>\$ 2,138,604</b>    | <b>\$ 1,840,502</b>    |

- (1) Audit Fees for the years ended December 31, 2018 and 2017 were for professional services rendered for the audits of our consolidated financial statements and review of financial statements included in our quarterly and annual financial statements and subsidiary audits. Audit Fees for the years ended December 31, 2018 and 2017 also include costs associated with KPMG LLP's audit of our internal control over financial reporting.
- (2) Audit related fees consist of professional services rendered for the audit of our employee benefit plan.
- (3) Tax Fees for the years ended December 31, 2018 and 2017, respectively, consist of tax compliance fees of \$84,218 and \$46,002 and tax planning fees of \$75,386 and \$72,350.

The Audit Committee has adopted policies and procedures that require pre-approval of all audit and permitted non-audit services to be provided by KPMG. All fees in the table above were approved in accordance with the policies and procedures established by the Audit Committee.





**Table of Contents**

**Required Vote**

The ratification of KPMG LLP as our independent public accounting firm will require a majority of the votes cast by the stockholders entitled to vote on this proposal at the meeting. Abstentions, broker non-votes, and votes withheld will not be treated as votes cast for this purpose and will not affect the outcome of the election.

**The Board of Directors recommends a vote FOR the ratification of KPMG.**

**Table of Contents**

**ADDITIONAL INFORMATION**

**Other Matters**

The Board of Directors is unaware of any business to be conducted at the Annual Meeting of Stockholders other than the matters described in the Notice to Stockholders. If other business is properly presented for consideration at the Annual Meeting, the enclosed proxy authorizes the persons named therein to vote the shares in their discretion on that matter.

**Communications from Stockholders**

The Board will give appropriate attention to written communications submitted by stockholders, and will respond if and as appropriate. Absent unusual circumstances or as contemplated by committee charters, the Chair of the Audit Committee will, with the assistance of our General Counsel, (i) be primarily responsible for monitoring communications from stockholders and (ii) provide copies or summaries of such communications to the other directors as he considers appropriate. Communications specifically addressed to a particular director will be forwarded to that director.

Communications will be forwarded to all directors if they relate to substantive matters and include suggestions or comments that the Chair of the Audit Committee considers to be important for the directors to know. In general, communications relating to corporate governance and long-term corporate strategy are more likely to be forwarded than communications relating to personal grievances and matters as to which we tend to receive repetitive or duplicative communications.

Stockholders who wish to send communications on any topic to the Board should address such communications to the Chair of the Audit Committee, c/o General Counsel, Lamar Advertising Company, 5321 Corporate Boulevard, Baton Rouge, Louisiana 70808.

**Deadline for Stockholder Proposals and Director Nominations**

In order for a stockholder proposal to be considered for inclusion in our proxy materials for the 2020 Annual Meeting of Stockholders, we must receive it no later than December 20, 2019 (120 days before the anniversary of the mailing date of this proxy statement), assuming that the 2020 Annual Meeting of the Stockholders is not more than 30 days before or after May 30, 2020.

In addition, our bylaws require a stockholder who wishes to bring business before an annual meeting or propose director nominations at an annual meeting to give advance written notice to the Secretary as described in the bylaws. To be timely for the 2020 Annual Meeting of Stockholders, proposals must be received no earlier than January 31, 2020 and no later than the close of business on March 1, 2020 (120 days and 90 days before the anniversary date of this year's Annual Meeting, respectively), assuming that the 2019 Annual Meeting of the Stockholders is not more than 30 days before or 70 days after May 30, 2020.

Notices should be given in writing to the Company at its principal executive offices: 5321 Corporate Boulevard, Baton Rouge, Louisiana 70808, Attention: Secretary.

**Table of Contents**

**Expenses of Solicitation**

We will bear the cost of the solicitation of proxies, including the charges and expenses of brokerage firms and others of forwarding solicitation material to beneficial owners of common stock. In addition to the use of mails, proxies may be solicited by our officers and any regular employees in person or by telephone. We expect that the costs incurred in the solicitation of proxies will be nominal.

April 18, 2019

---

**Table of Contents**

**APPENDIX A**

**LAMAR ADVERTISING COMPANY**

**1996 EQUITY INCENTIVE PLAN**

*(as proposed to be amended and restated through May 2019)*

**1. Purpose**

The purpose of the Lamar Advertising Company 1996 Equity Incentive Plan (the *Plan*) is to attract and retain directors, key employees and consultants of the Company and its Affiliates, to provide an incentive for them to achieve long-range performance goals, and to enable them to participate in the long-term growth of the Company by granting Awards with respect to the Company's Class A Common Stock (the *Common Stock*). Certain capitalized terms used herein are defined in Section 9 below.

**2. Administration**

The Plan shall be administered by the Committee. The Committee shall select the Participants to receive Awards and shall determine the terms and conditions of the Awards. The Committee shall have authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the operation of the Plan as it shall from time to time consider advisable, and to interpret the provisions of the Plan. The Committee's decisions shall be final and binding. To the extent permitted by applicable law, the Committee may delegate to one or more executive officers of the Company the power to make Awards to Participants who are not Reporting Persons or Covered Employees and all determinations under the Plan with respect thereto, provided that the Committee shall fix the maximum amount of such Awards for all such Participants and a maximum for any one Participant. In its absolute discretion, the Board may at any time and from time to time exercise any and all rights and duties of the Committee under this Plan except with respect to matters which under Rule 16b-3 or Section 162(m) of the Internal Revenue Code (the *Code*), or any regulations or rules issued thereunder, are required to be determined in the sole discretion of the Committee. In this regard, to the extent that the guidelines pursuant to Section 162(m) are applicable, not only will the Committee consist solely of two or more outside directors but said Committee shall be required to certify that any Performance Goals and/or other material terms associated with any Award have been satisfied prior to the payment of any Award.

**3. Eligibility**

All directors, employees and consultants of the Company or any Affiliate capable of contributing significantly to the successful performance of the Company, other than a person who has irrevocably elected not to be eligible, are eligible to be Participants in the Plan. Incentive Stock Options may be granted only to persons eligible to receive such Options under the Code.

**4. Stock/Cash Available for Awards**

(a) **Amount.** Subject to adjustment under subsection (b), Awards may be made under the Plan for up to 17,500,000 shares of Common Stock. If any Award expires or is terminated unexercised or is forfeited or settled in a manner that results in fewer shares outstanding than were awarded, the shares subject to such Award, to the extent of such expiration, termination, forfeiture or decrease, shall again be available for award under the Plan. To the extent required by Section 162(m) of the Code if, after grant of

A-1

---

**Table of Contents**

an Option, the price of shares subject to such Option is reduced, the transaction shall be treated as a cancellation of the Option and a grant of a new Option. Common Stock issued through the assumption or substitution of outstanding grants from an acquired company shall not reduce the shares available for Awards under the Plan. Shares issued under the Plan may consist in whole or in part of authorized but unissued shares or treasury shares.

(b) **Adjustment.** In the event that the Committee determines that any stock dividend, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, exchange of shares or other transaction affects the Common Stock such that an adjustment is required in order to preserve the benefits intended to be provided by the Plan, then the Committee (subject in the case of Incentive Stock Options to any limitation required under the Code) shall equitably adjust any or all of (i) the number and kind of shares in respect of which Awards may be made under the Plan, (ii) the number and kind of shares subject to outstanding Awards and (iii) the exercise price with respect to any of the foregoing, and if considered appropriate, the Committee may make provision for a cash bonus with respect to an outstanding Award, provided that the number of shares subject to any Award shall always be a whole number.

(c) **Limit on Individual Grants.** The maximum number of shares of Common Stock subject to Options and Stock Appreciation Rights that may be granted to any Participant in the aggregate in any calendar year shall not exceed 350,000 shares and the maximum number of shares of Common Stock that may be granted as Restricted Stock, Unrestricted Stock Awards, Restricted Stock Units with respect to which Performance Goals apply under Section 7 below, to any Participant in the aggregate in any calendar year shall not exceed 350,000, subject to adjustment under subsection (b). The maximum cash Award that may be issued to any Participant in any calendar year shall be \$2,000,000.

## 5. **Stock Options**

(a) **Grant of Options.** Subject to the provisions of the Plan, the Committee may grant options ( Options ) to purchase shares of Common Stock (i) complying with the requirements of Section 422 of the Code or any successor provision and any regulations thereunder ( Incentive Stock Options or ISOs ) and (ii) not intended to comply with such requirements ( Nonstatutory Stock Options or NSOs ). The Committee shall determine the number of shares subject to each Option and the exercise price therefor, which shall not be less than 100% of the Fair Market Value of the Common Stock on the date of grant. No Incentive Stock Options may be granted hereunder more than ten years after the last date on which the Plan was approved for purposes of Section 422 of the Code.

(b) **Terms and Conditions.** Each Option shall be exercisable at such times and subject to such terms and conditions as the Committee may specify in the applicable grant or thereafter. The Committee may impose such conditions with respect to the exercise of Options, including conditions relating to applicable federal or state securities laws, as it considers necessary or advisable. To the extent required by Section 162(m) of the Code if, after grant of an Option, the price of shares subject to such Option is reduced, the transaction shall be treated as a cancellation of the Option and a grant of a new Option.

(c) **Payment.** No shares shall be delivered pursuant to any exercise of an Option until payment in full of the exercise price therefor is received by the Company. Such payment may be made in whole or in part in cash or, to the extent permitted by the Committee at or after the grant of the Option, by delivery of a note or other commitment satisfactory to the Committee or shares of Common Stock owned by the optionee, including Restricted Stock, Restricted Stock Units or by retaining shares otherwise issuable pursuant to the Option, in each case valued at their Fair Market Value on the date of delivery or retention, or such other lawful consideration as the Committee may determine.



---

**Table of Contents**

(d) ***Unexercised Options and Other Rights.*** To the extent that (i) a Stock Option expires or is otherwise terminated without being exercised, or (ii) any shares of Stock subject to any other Award granted hereunder are forfeited, such shares shall again be available for issuance in connection with future awards under the Plan. If any shares of Stock have been pledged as collateral for indebtedness incurred by a Participant in connection with the exercise of a Stock Option and such shares are returned to the Company in satisfaction of such indebtedness, such shares shall again be available for issuance in connection with future awards under the Plan. To the extent that a share is subject to an outstanding Option, Stock Appreciation Right or other stock-based Award, such share shall reduce the share authorization by one share of stock. Notwithstanding the foregoing, Awards that are expired, cancelled, forfeited or otherwise returned to the Company cannot be recounted for purposes of Section 162(m) of the Code and the Committee shall consider such limitation when regranting such Awards.

(e) ***Annual Limit on Incentive Stock Options.*** Each eligible employee may be granted Options treated as ISOs only to the extent that, in the aggregate under this Plan and all incentive stock option plans of the Company, ISOs do not become exercisable for the first time by such employee during any calendar year with respect to stock having a fair market value (determined at the time the ISOs were granted) in excess of \$100,000. The Company intends to designate any Options granted in excess of such limitation as NSOs.

## ***6. Stock Appreciation Rights***

(a) ***Grant of SARs.*** Subject to the provisions of the Plan, the Committee may grant rights to receive any excess in value of shares of Common Stock over the exercise price ( Stock Appreciation Rights or SARs ) in tandem with an Option (at or after the award of the Option), or alone and unrelated to an Option. SARs in tandem with an Option shall terminate to the extent that the related Option is exercised, and the related Option shall terminate to the extent that the tandem SARs are exercised. The Committee shall determine at the time of grant or thereafter whether SARs are settled in cash, Common Stock or other securities of the Company, Awards or other property, and may define the manner of determining the excess in value of the shares of Common Stock.

(b) ***Exercise Price.*** The Committee shall fix the exercise price of each SAR or specify the manner in which the price shall be determined. An SAR granted in tandem with an Option shall have an exercise price not less than the exercise price of the related Option. SARs granted alone and unrelated to an Option may be granted at such exercise prices as the Committee may determine, but no less than Fair Market Value.

(c) ***Treatment of Dividend Rights.*** No SAR shall include a right to dividends between the date of grant and date of exercise in the absence of a separate agreement in compliance with the requirements of Section 409A of the Code.

## ***7. Stock Awards***

(a) ***Grant of Restricted or Unrestricted Stock.*** Subject to the provisions of the Plan, the Committee may grant shares of Common Stock subject to forfeiture ( Restricted Stock ) and determine the duration of the period (the Restricted Period ) during which, and the conditions under which, the shares may be forfeited to the Company and the other terms and conditions of such Awards. Shares of Restricted Stock may be issued for no cash consideration, such minimum consideration as may be required by applicable law or such other consideration as the Committee may determine. Shares of Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered, except as permitted by the Committee or the applicable Restricted Stock Agreement during the Restricted Period. Shares of Restricted Stock shall be evidenced in such manner as the Committee may determine. Any certificates issued in respect of shares of Restricted Stock shall be registered in the name of the





---

**Table of Contents**

Participant and unless otherwise determined by the Committee, deposited by the Participant, together with a stock power endorsed in blank, with the Company. At the expiration of the Restricted Period, the Company shall deliver such certificates to the Participant or if the Participant has died, to the Participant's Designated Beneficiary. The Committee also may make Awards of shares of Common Stock that are not subject to restrictions or forfeiture, on such terms and conditions as the Committee may determine from time to time ( Unrestricted Stock ).

(b) **Performance Awards.** The Committee may grant Performance Awards to eligible individuals. The value of such Performance Awards may be linked to the market value, book value, net profits or other measure of the value of Common Stock or other specific performance criteria determined appropriate by the Committee, or may be based upon the appreciation in the market value, book value, net profits or other measure of the value of a specified number of shares of Common Stock over a fixed period or periods determined by the Committee.

(c) **Performance-Based Compensation.** The Committee may establish Performance Goals for the granting of Restricted Stock, Unrestricted Stock, Restricted Stock Unit Awards, the lapse of risk of forfeiture of Restricted Stock, cash incentives or other Performance Award. The achievement of the Performance Goals shall be determined by the Committee. Shares of Restricted Stock or Unrestricted Stock may be issued for no cash consideration, such minimum consideration as may be required by applicable law or such other consideration as the Committee may determine. If the Committee determines at the time an Award is granted to a Participant that such Participant is, or may be as of the end of the tax year for which the Company would claim a tax deduction in connection with such Award, a Covered Employee, then the Committee may provide that the Participant's right to receive cash, shares, or other property pursuant to such Award shall be subject to the satisfaction of Performance Goals during a performance period, which for these purposes means the period of service designated by the Committee applicable to an Award. Notwithstanding the attainment of Performance Goals by a Covered Employee, the Committee shall have the right to reduce (but not to increase) the amount payable at a given level of performance to take into account additional factors that the Committee may deem relevant. The Committee shall have the power to impose such other restrictions on Awards as it deems necessary or appropriate to ensure that such Awards satisfy all requirements for performance-based compensation within the meaning of Section 162(m) of the Code. In this regard, any performance criterion based on performance over time will be determined by reference to a period of at least one year.

(d) **Other Stock Based Awards.** The Committee shall have the right to grant such Awards based upon the Common Stock having terms and conditions as the Board may determine, including, without limitation, the grant of shares based upon certain conditions, the grant of securities convertible into Common Stock, the grant of warrants to purchase Common Stock or grant Restricted Stock Units.

## 8. **General Provisions Applicable to Awards**

(a) **Documentation.** Each Award under the Plan shall be evidenced by a writing delivered to the Participant or agreement executed by the Participant specifying the terms and conditions thereof and containing such other terms and conditions not inconsistent with the provisions of the Plan as the Committee considers necessary or advisable to achieve the purposes of the Plan or to comply with applicable tax and regulatory laws and accounting principles.

(b) **Committee Discretion.** Each type of Award may be made alone, in addition to or in relation to any other Award. The terms of each type of Award need not be identical, and the Committee need not treat Participants uniformly. Except as otherwise provided by the Plan or a particular Award, any determination with respect to an Award may be made by the Committee at the time of grant or at any time thereafter.



**Table of Contents**

- (c) ***Dividends and Cash Awards.*** In the discretion of the Committee, any Award under the Plan may provide the Participant with (i) dividends or dividend equivalents payable (in cash or in the form of Awards under the Plan) currently or deferred with or without interest and (ii) cash payments in lieu of or in addition to an Award.
- (d) ***Termination of Employment.*** The Committee shall determine the effect on an Award of the disability, death, retirement or other termination of employment of a Participant and the extent to which, and the period during which, the Participant's legal representative, guardian or Designated Beneficiary may receive payment of an Award or exercise rights thereunder.
- (e) ***Change in Control.*** In order to preserve a Participant's rights under an Award in the event of a change in control of the Company (as defined by the Committee), the Committee in its discretion may, at the time an Award is made or at any time thereafter, take one or more of the following actions: (i) provide for the acceleration of any time period relating to the exercise or payment of the Award, (ii) provide for payment to the Participant of cash or other property with a Fair Market Value equal to the amount that would have been received upon the exercise or payment of the Award had the Award been exercised or paid upon the change in control, (iii) adjust the terms of the Award in a manner determined by the Committee to reflect the change in control, (iv) cause the Award to be assumed, or new rights substituted therefor, by another entity, or (v) make such other provision as the Committee may consider equitable to Participants and in the best interests of the Company.
- (f) ***Transferability.*** In the discretion of the Committee, any Award may be made transferable upon such terms and conditions and to such extent as the Committee determines, provided that Incentive Stock Options may be transferable only to the extent permitted by the Code. The Committee may in its discretion waive any restriction on transferability.
- (g) ***Loans.*** The Committee may authorize the making of loans or cash payments to Participants in connection with the grant or exercise any Award under the Plan, which loans may be secured by any security, including Common Stock, underlying or related to such Award (provided that the loan shall not exceed the Fair Market Value of the security subject to such Award), and which may be forgiven upon such terms and conditions as the Committee may establish at the time of such loan or at any time thereafter.
- (h) ***Withholding Taxes.*** The Participant shall pay to the Company, or make provision satisfactory to the Committee for payment of, any taxes required by law to be withheld in respect of Awards under the Plan no later than the date of the event creating the tax liability. The Company and its Affiliates may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to the Participant hereunder or otherwise. In the Committee's discretion, such tax obligations to be withheld in respect of Awards may be paid in whole or in part in shares of Common Stock, including shares retained from the Award creating the tax obligation, valued at their Fair Market Value on the date of delivery; notwithstanding the foregoing, only the minimum tax obligations required by law to be withheld in respect of Options may be paid in whole or in part in shares of Common Stock.
- (i) ***Foreign Nationals.*** Awards may be made to Participants who are foreign nationals or employed outside the United States on such terms and conditions different from those specified in the Plan as the Committee considers necessary or advisable to achieve the purposes of the Plan or to comply with applicable laws.
- (j) ***Amendment of Award.*** The Committee may amend, modify or terminate any outstanding Award, including substituting therefor another Award of the same or a different type, changing the date of exercise or realization and converting an Incentive Stock Option to a Nonstatutory



## **Table of Contents**

Stock Option and enter into and execute any repricing transaction including but not limited to reducing the exercise price of such Award. Any such action shall require the Participant's consent unless:

(i) In the case of a termination of, or a reduction in the number of shares issuable under, an Option, any time period relating to the exercise of such Option or the eliminated portion, as the case may be, is waived or accelerated before such termination or reduction (and in such case the Committee may provide for the Participant to receive cash or other property equal to the net value that would have been received upon exercise of the terminated Option or the eliminated portion, as the case may be); or

(ii) In any other case, the Committee determines that the action, taking into account any related action, would not materially and adversely affect the Participant.

(k) ***Limitations Applicable to Section 16 Persons and Performance-Based Compensation.*** Notwithstanding any other provision of this Plan, any Option, Performance Award or other Award or Restricted Stock or Restricted Stock Unit granted to a Reporting Person who is subject to Section 16 of the Exchange Act shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule, and this Plan shall be deemed amended to the extent necessary to conform to such limitations. Furthermore, notwithstanding any other provision of this Plan, any Option or other Awards intended to qualify as performance-based compensation as described in Section 162(m)(4)(C) of the Code shall be subject to any additional limitations set forth in Section 162(m) of the Code (including any amendment to Section 162(m) of the Code) or any Treasury regulations or rulings issued thereunder that are requirements for qualification as performance-based compensation as described in Section 162(m)(4)(C) of the Code, and this Plan shall be deemed amended to the extent necessary to conform to such requirements.

(l) ***Approval of Plan by Stockholders.*** This Plan will be submitted for the approval of the Company's stockholders within twelve months after the date of the Board's initial adoption of this Plan. All Options, Awards, Restricted Stock and Restricted Units granted under the Plan prior to this restatement, which was approved by Shareholders, shall not be effected by the following sentence. Options or other Awards may be granted and Restricted Stock or Restricted Stock Units may be awarded prior to such stockholder approval, provided that such Options or other Awards shall not be exercisable and such Restricted Stock or Restricted Stock Units shall not vest prior to the time when this Plan is approved by the stockholders, and provided further that if such approval has not been obtained at the end of said twelve (12) month period, all Options previously granted shall be deemed Non-Qualified Options.

## **9. *Certain Definitions***

**Affiliate** means any business entity in which the Company owns directly or indirectly 50% or more of the total voting power or has a significant financial interest as determined by the Committee.

**Award** means any cash bonus, Option, Stock Appreciation Right, Restricted Stock, Unrestricted Stock, Restricted Stock Unit or other Performance Awards granted under the Plan.

**Board** means the Board of Directors of the Company.

**Code** means the Internal Revenue Code of 1986, as amended from time to time, or any successor law.

**Committee** means one or more committees each comprised of not less than two members of the Board appointed by the Board to administer the Plan or a specified portion thereof. Unless otherwise

A-6

**Table of Contents**

determined by the Board, if a Committee is authorized to grant Awards to a Reporting Person or a Covered Employee, each member shall be a non-employee director or the equivalent within the meaning of applicable Rule 16b-3 under the Exchange Act or an outside director within the meaning of Section 162(m) of the Code, respectively.

Common Stock or Stock means the Class A Common Stock, \$0.001 par value, of the Company.

Company means Lamar Advertising Company, a Delaware corporation.

Covered Employee means a covered employee within the meaning of Section 162(m) of the Code.

Designated Beneficiary means the beneficiary designated by a Participant, in a manner determined by the Committee, to receive amounts due or exercise rights of the Participant in the event of the Participant's death. In the absence of an effective designation by a Participant, Designated Beneficiary means the Participant's estate.

Exchange Act means the Securities Exchange Act of 1934, as amended from time to time, or any successor law.

Fair Market Value means, with respect to a share of Common Stock as of any date of determination, in the discretion of the Committee, (i) the closing price (on that date) of the Common Stock on the NASDAQ Stock Market, or any other principal national securities exchange the Common Stock is traded on; or (ii) the closing bid price (or average of bid prices) last quoted (on that date) by an established quotation service for over-the-counter securities, if the Common Stock is not reported on the NASDAQ Stock Market or another national securities exchange; or (iii) if shares of Common Stock are not publicly traded, the fair market value of such a share as determined by the Board in good faith after taking into consideration all facts which it deems appropriate and in accordance with applicable statutory and regulatory guidelines.

Participant means a person selected by the Committee to receive an Award under the Plan.

Performance Award means a cash bonus, stock bonus or other performance or incentive award that is paid in cash, Common Stock or a combination of both.

Performance Goals means with respect to any designated performance period, one or more Performance Measures established by the Committee prior to the beginning of such performance period or within such period after the beginning of the performance period as shall meet the requirements to be considered pre-established objective performance goals for purposes of the regulations issued under Section 162(m) of the Code. Such Performance Goals may be particular to a Participant or may be based, in whole or in part, on the performance of the division, department, line of business, subsidiary, or other business unit, whether or not legally constituted, in which the Participant works or on the performance of the Company generally.

Performance Measures shall include, but not be limited to (measured either absolutely or by reference to an index or indices and determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographical basis or in combinations thereof): sales; revenues; assets; expenses; earnings before or after deduction for all or any portion of interest, taxes, depreciation, or amortization, whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital or assets; one or more operating ratios; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; cash flow; stock price; stockholder





**Table of Contents**

return; sales of particular products or services; customer acquisition or retention; acquisitions and divestitures (in whole or in part); joint ventures and strategic alliances; spin-offs, split-ups and the like; reorganizations; or recapitalizations, restructurings, financings (issuance of debt or equity) or refinancings.

Reporting Person means a person subject to Section 16 of the Exchange Act.

10. ***Miscellaneous***

(a) ***No Right to Employment.*** No person shall have any claim or right to be granted an Award. Neither the adoption, maintenance, nor operation of the Plan nor any Award hereunder shall confer upon any employee or consultant of the Company or of any Affiliate any right with respect to the continuance of his/her employment by or other service with the Company or any such Affiliate nor shall they interfere with the rights of the Company (or Affiliate) to terminate any employee at any time or otherwise change the terms of employment, including, without limitation, the right to promote, demote or otherwise re-assign any employee from one position to another within the Company or any Affiliate.

(b) ***No Rights As Stockholder.*** Subject to the provisions of the applicable Award, no Participant or Designated Beneficiary shall have any rights as a stockholder with respect to any shares of Common Stock to be distributed under the Plan until he or she becomes the holder thereof. A Participant to whom Restricted Stock, Unrestricted Stock or Restricted Stock Unit is awarded shall be considered a stockholder of the Company at the time of the Award except as otherwise provided in the applicable Award.

(c) ***Effective Date.*** Subject to the approval of the stockholders of the Company, the Plan, as amended, shall be effective on May 30, 2019.

(d) ***Amendment of Plan.*** The Board may amend, suspend or terminate the Plan or any portion thereof at any time, subject to such stockholder approval as the Board determines to be necessary or advisable.

(e) ***Governing Law.*** The provisions of the Plan shall be governed by and interpreted in accordance with the laws of Delaware.

\* \* \* \*

Table of Contents

APPENDIX B

**LAMAR ADVERTISING COMPANY**  
**2019 EMPLOYEE STOCK PURCHASE PLAN**

**1. Purpose.**

This 2019 Employee Stock Purchase Plan (the Plan ) is adopted by Lamar Advertising Company (the Company ) to provide Eligible Employees who wish to become shareholders of the Company an opportunity to purchase shares of Class A Common Stock, par value \$.001 per share, of the Company ( Common Stock ). The Plan is intended to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code of 1986, as amended (the Code ), and the provisions of the Plan shall be construed so as to extend and limit participation in a manner consistent with the requirements of Section 423; provided that, if and to the extent authorized by the Board, the fact that the Plan does not comply in all respects with the requirements of Section 423 shall not affect the operation of the Plan or the rights of Employees hereunder.

**2. Certain Definitions.**

As used in this Plan:

(a) Board means the Board of Directors of the Company, and Committee means the Compensation Committee of the Board or such other committee as the Board may appoint from time to time to administer the Plan.

(b) Coordinator means the officer of the Company or other person charged with day-to-day supervision of the Plan as appointed from time to time by the Board or the Committee.

(c) Designated Beneficiary means a person designated by an Employee in the manner prescribed by the Committee or the Coordinator to receive certain benefits provided in this Plan in the event of the death of the Employee.

(d) Eligible Employee with respect to any Offering hereunder means any Employee who, as of the Offering Commencement Date for such Offering:

(i) has been a Full-time, Part-time 3, or Part-time 2 Employee of the Company or any of its Subsidiaries for not less than twelve months; and

(ii) would not, immediately after any right to acquire Shares in such Offering is granted, own stock or rights to purchase stock possessing five percent (5%) or more of the total combined voting power or value of all classes of stock of the Company or of any subsidiary corporation, determined in accordance with Section 423.

Subject to the foregoing requirements of this section, an Employee covered by a collective bargaining agreement will be considered eligible for participation in the Plan unless the labor organization representing such Employee in collective bargaining has made an affirmative decision on the part of the applicable labor organization not to participate in the Plan.

**Table of Contents**

- (e) **Employee** means an employee (as that term is used in Section 423) of the Company or any of its Subsidiaries.
- (f) **Fair Market Value** of a Share shall mean the fair market value of a share of Common Stock, as determined by the Committee.
- (g) **Full-time Employee** is an Employee whose customary employment is for (i) 40 hours per week and (ii) five months, in the calendar year during which the respective Offering Commencement Date occurs.
- (h) **Part-time 3 Employee** is an Employee whose customary employment is for (i) 30-39 hours per week and (ii) five months, in the calendar year during which the respective Offering Commencement Date occurs.
- (i) **Part-time 2 Employee** is an Employee whose customary employment is for (i) 20-29 hours per week and (ii) five months, in the calendar year during which the respective Offering Commencement Date occurs.
- (j) **Offering** is an offering of Shares pursuant to Section 5 of the Plan.
- (k) **Offering Commencement Date** means the date on which an Offering under the Plan commences, and **Offering Termination Date** means the date on which an Offering under the Plan terminates.
- (l) **Purchase Date** means each date on which the rights granted under the Plan may be exercised for the purchase of Shares.
- (m) **Section 423** and subdivisions thereof refer to Section 423 of the Code or any successor provision(s).
- (n) **Shares** means shares of Common Stock.
- (o) **Subsidiary** means a subsidiary corporation, as defined in Section 424 of the Code, of the Company the Employees of which are designated by the Board of Directors or the Committee as eligible to participate in the Plan.

**3. Administration of the Plan.**

The Committee shall administer, interpret and apply all provisions of the Plan as it deems necessary or appropriate, subject, however, at all times to the final jurisdiction of the Board of Directors. The Board may in any instance perform any of the functions of the Committee hereunder. The Committee may delegate administrative responsibilities to the Coordinator, who shall, for matters involving the Plan, be an ex officio member of the Committee. Determinations made by the Committee and approved by the Board of Directors with respect to any provision of the Plan or matter arising in connection therewith shall be final, conclusive and binding upon the Company and upon all participants, their heirs or legal representatives.

**4. Shares Subject to the Plan.**

The maximum aggregate number of Shares that may be purchased upon exercise of rights granted under the Plan shall be 300,000 plus (a) all Shares, if any, that remain available for purchase under the 2009 Employee Stock Purchase Plan upon its termination on June 30, 2019 and (b) an annual increase to

---

**Table of Contents**

be added on the first day of each fiscal year of the Company beginning with the 2020 fiscal year equal to the least of (i) 500,000 Shares, (ii) one-tenth of one percent of the total number of Shares outstanding on the last day of the preceding fiscal year, and (iii) a lesser amount determined by the Board. Appropriate adjustments in such amount, the number of Shares covered by outstanding rights granted hereunder, the securities that may be purchased hereunder, the Exercise Price, and the maximum number of Shares or other securities that an employee may purchase (pursuant to Section 8 below) shall be made to give effect to any mergers, consolidations, reorganizations, recapitalizations, stock splits, stock dividends or other relevant changes in the capitalization of the Company occurring after the effective date of the Plan; provided that any fractional Share otherwise issuable hereunder as a result of such an adjustment shall be adjusted downward to the nearest full Share. Any agreement of merger or consolidation involving the Company will include appropriate provisions for protection of the then existing rights of participating employees under the Plan. Either authorized and unissued Shares or treasury Shares may be purchased under the Plan. The Committee may impose restrictions on transfer on Shares purchased under the Plan. If for any reason any right under the Plan terminates in whole or in part, Shares subject to such terminated right may again be subjected to a right under the Plan.

**5. Offerings; Participation.**

(a) From time to time, the Company, by action of the Committee, will grant rights to purchase Shares to Eligible Employees pursuant to one or more Offerings, each having an Offering Commencement Date, an Offering Termination Date, and one or more Purchase Dates as designated by the Committee. No Offering may last longer than twenty-seven (27) months or such longer period as may then be consistent with Section 423. The Committee may limit the number of Shares issuable in any Offering, either before or during such Offering.

(b) Participation in each Offering shall be limited to Eligible Employees who elect to participate in such Offering in the manner, and within the time limitations, established by the Committee. No person otherwise eligible to participate in any Offering under the Plan shall be entitled to participate if he or she has elected not to participate. Any such election not to participate may be revoked only with the consent of the Committee.

(c) An Employee who has elected to participate in an Offering may make such changes in the level of payroll deductions as the Committee may permit from time to time, or may withdraw from such Offering, by giving written notice to the Company before any Purchase Date. No Employee who has withdrawn from participating in an Offering may resume participation in the same Offering, but he or she may participate in any subsequent Offering if otherwise eligible.

(d) Upon termination of a participating Employee's employment for any reason, including retirement but excluding death or disability (as defined in Section 22(e)(3) of the Code) while in the employ of the Company or a Subsidiary, such Employee will be deemed to have withdrawn from participation in all pending Offerings to the extent administratively feasible.

(e) Upon termination of a participating Employee's employment because of disability or death, the Employee or his or her Designated Beneficiary, if any, as the case may be, shall have the right to elect, with respect to each Offering in which the Employee was then participating, by written notice given to the Coordinator within 30 days after the date of termination of employment (but not later than the next applicable Purchase Date for each Offering), either (i) to withdraw from such Offering or (ii) to exercise the Employee's right to purchase Shares on the next Purchase Date of such Offering to the extent of the accumulated payroll deductions in the Employee's account at the date of termination of employment. If no such election with respect to any Offering is made within such period, the Employee shall be deemed to have withdrawn from such Offering on the date of termination of employment. The foregoing election is not available to any person, such as a legal representative, as such, other than the Employee or a Designated

Beneficiary.

B-3

**Table of Contents**

**6. Exercise Price.**

The rights granted under the Plan shall be exercised and Shares shall be purchased at a price per Share (the Exercise Price ) determined by the Committee from time to time; provided that the Exercise Price shall not be less than eighty-five percent (85%) of the Fair Market Value of a Share on (a) the respective Offering Commencement Date or (b) the respective Purchase Date, whichever is lower.

**7. Exercise of Rights; Method of Payment.**

(a) Participating Employees may pay for Shares purchased upon exercise of rights granted hereunder solely through regular payroll deductions. No interest shall be paid upon payroll deductions (whether or not used to purchase Shares) unless specifically provided for by the Committee. All payroll deductions received or held by the Company under this Plan may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such amounts.

(b) Subject to any applicable limitation on purchases under the Plan, and unless the Employee has previously withdrawn from the respective Offering, rights granted to a participating Employee under the Plan will be exercised automatically on the Purchase Date of the respective Offering coinciding with the Offering Termination Date, and the Committee may provide that such rights may at the election of the Employee be exercised on one or more other Purchase Dates designated by the Committee within the period of the Offering, for the purchase of the number of Shares that may be purchased at the applicable Exercise Price with the accumulated payroll deductions as of the respective Purchase Date. Fractional Shares will be issued under the Plan, unless the Committee determines otherwise. If fractional Shares are not issued, any amount that would otherwise have been applied to the purchase of a fractional Share shall be retained and applied to the purchase of Shares in the following Offering unless the respective Employee elects otherwise. The Company will deliver to each participating Employee or to an account of the participating Employee designated by the Committee evidence of ownership of the shares of Common Stock purchased within a reasonable time after the Purchase Date in such form as the Committee determines will give the participating Employee full ownership of and rights to transfer the Shares. The Committee may require that the participating Employee hold such Shares in an account of the participating Employee designated by the Committee.

(c) Any amounts withheld from the Employee s compensation that are not used for the purchase of Shares, whether because of such Employee s withdrawal from participation in an Offering (voluntarily, upon termination of employment, or otherwise) or for any other reason, except as provided in Section 7(b), shall be repaid to the Employee or his or her Designated Beneficiary or legal representative, as applicable, within a reasonable time thereafter.

(d) The Company s obligation to offer, sell and deliver Shares under the Plan at any time is subject to (i) the approval of any governmental authority required in connection with the authorized issuance or sale of such Shares, (ii) satisfaction of the listing requirements of any national securities exchange or securities market on which the Common Stock is then listed, and (iii) compliance, in the opinion of the Company s counsel, with all applicable federal and state securities and other laws.

**Table of Contents**

**8. Limitations on Purchase Rights.**

(a) Any provision of the Plan or any other employee stock purchase plan of the Company or any subsidiary (collectively, "Other Plans") to the contrary notwithstanding, no Employee shall be granted the right to purchase Common Stock (or other stock of the Company and any subsidiary) under the Plan and all Other Plans at a rate that exceeds an aggregate of \$25,000 (or such other maximum as may be prescribed from time to time by Section 423) in Fair Market Value of such stock (determined at the time the rights are granted, and which with respect to the Plan, will be determined as of their respective Offering Commencement Dates) for each calendar year in which any such right is outstanding.

(b) An Employee's participation in any one or a combination of Offerings under the Plan shall not exceed such additional limits as the Committee may from time to time impose.

**9. Tax Withholding.**

Each participating Employee shall pay to the Company or the applicable Subsidiary, or make provision satisfactory to the Committee for payment of, any taxes required by law to be withheld in respect of the purchase or disposition of Shares no later than the date of the event creating the tax liability. In the Committee's discretion and subject to applicable law, such tax obligations may be paid in whole or in part by delivery of Shares to the Company, including Shares purchased under the Plan, valued at Fair Market Value on the date of delivery. The Company or the applicable Subsidiary may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to the Employee or withhold Shares purchased hereunder, which shall be valued at Fair Market Value on the date of withholding.

**10. Participants' Rights as Shareholders and Employees.**

(a) No participating Employee shall have any rights as a shareholder in the Shares covered by a right granted hereunder until such right has been exercised, full payment has been made for such Shares, and the Share certificate is actually issued.

(b) Neither the adoption, maintenance, nor operation of the Plan nor any grant of rights hereunder shall entitle any Employee to continued employment or other service with the Company or any Subsidiary or restrict the right of any of such entities to terminate such employment or service or otherwise change the terms of such employment or service at any time or for any reason.

**11. Rights Not Transferable.**

Rights under the Plan are not assignable or transferable by a participating Employee other than by will or the laws of descent and distribution and, during the Employee's lifetime, are exercisable only by the Employee. The Company may treat any attempted *inter vivos* assignment as an election to withdraw from all pending Offerings.

**12. Amendments to or Termination of the Plan.**

The Board shall have the right to amend, modify or terminate the Plan at any time without notice, subject to any stockholder approval that the Board determines to be necessary or advisable; provided that the rights of Employees hereunder with respect to any ongoing or completed Offering shall not be adversely affected.





**Table of Contents**

**13. Governing Law.**

Subject to overriding federal law, the Plan shall be governed by and interpreted consistently with the laws of Delaware.

**14. Effective Date and Term.**

This Plan will become effective on July 1, 2019. No rights shall be granted under the Plan after July 1, 2029.

\* \* \* \*

B-6

**Table of Contents**

***LAMAR ADVERTISING COMPANY***

***5321 CORPORATE BLVD***

***BATON ROUGE, LA 70808***

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Central Daylight Time on May 29, 2019. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Central Daylight Time on May 29, 2019. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

|   |                       |                        |                              |   |
|---|-----------------------|------------------------|------------------------------|---|
| <p><b>The Board of Directors recommends you vote FOR the following:</b></p> | <p><b>For All</b></p> | <p><b>Withhold</b></p> | <p><b>For All Except</b></p> | <p>To withhold authority to vote for any individual nominee(s), mark <b>For All Except</b> and write the number(s) of the nominee(s) on the line below.</p> |
|---|-----------------------|------------------------|------------------------------|---|

1. Election of Directors

**Nominees**

|                              |    |                  |    |                    |
|------------------------------|----|------------------|----|--------------------|
| John E. Koerner, III         | 02 | Marshall A. Loeb | 03 | Stephen P. Mumblow |
| 01 04 Thomas V. Reifenheiser | 05 | Anna Reilly      |    |                    |
| 06 Kevin P. Reilly, Jr.      | 07 | Wendell Reilly   | 08 | Elizabeth Thompson |

**The Board of Directors recommends you vote FOR the following proposals:**

**For Against Abstain**

2. Approval of an amendment and restatement of the Company's 1996 Equity Incentive Plan to increase the number of shares of Class A Common Stock of the Company available for issuance under the plan by 2,000,000 shares from 15,500,000 to 17,500,000 shares.
3. Approval of the Company's 2019 Employee Stock Purchase Plan.
4. Ratify the appointment of KPMG LLP as the Company's independent registered public accounting firm for fiscal 2019.

**NOTE:** Such other business as may properly come before the meeting or any adjournment thereof.

For address change/comments, mark here.

(see reverse for instructions)

**Yes                      No**

Please indicate if you plan to attend this meeting

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full

title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE  
SIGN WITHIN BOX]      Date

Signature (Joint Owners)      Date

**Table of Contents**

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Annual Report, Notice & Proxy Statement is/are available at [www.proxyvote.com](http://www.proxyvote.com)

**PROXY**

**THIS PROXY IS SOLICITED ON BEHALF OF  
THE BOARD OF DIRECTORS OF LAMAR ADVERTISING COMPANY**

The undersigned hereby appoints KEVIN P. REILLY, JR., SEAN E. REILLY AND KEITH A. ISTRE, and each of them, with power to act without the other and with power of substitution, as proxies and attorneys-in-fact and hereby authorizes them to represent and vote, as provided on the other side, all the shares of Lamar Advertising Company Class A Common Stock which the undersigned is entitled to vote and, in their discretion, to vote upon such other business as may properly come before the Annual Meeting of Stockholders of the Company to be held May 30, 2019 or any adjournment thereof, with all powers which the undersigned would possess if present at the Meeting.

**THIS PROXY CARD, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER DIRECTED HEREIN BY THE UNDERSIGNED. IF NO DIRECTION IS MADE BUT THE CARD IS SIGNED, THIS PROXY CARD WILL BE VOTED (IN ACCORDANCE WITH THE RECOMMENDATION OF THE BOARD OF DIRECTORS) FOR THE ELECTION OF ALL NOMINEES UNDER PROPOSAL 1, FOR PROPOSAL 2, 3, AND 4, AND IN THE DISCRETION OF THE PROXIES WITH RESPECT TO SUCH OTHER BUSINESS AS MAY PROPERLY COME BEFORE THE MEETING.**

**Address change/comments:**

(If you noted any Address Changes and/or Comments above, please mark corresponding box on the reverse side.)

**Continued and to be signed on reverse side**

Table of Contents

**PROXY FOR CLASS B COMMON AND SERIES AA PREFERRED STOCK**  
**THE BOARD OF DIRECTORS IS SOLICITING THIS PROXY**  
**IN CONNECTION WITH THE ANNUAL MEETING OF STOCKHOLDERS OF**  
**LAMAR ADVERTISING COMPANY**  
**MAY 30, 2019**

Each undersigned stockholder of Lamar Advertising Company (the Company ) hereby appoints Kevin P. Reilly, Jr., Sean E. Reilly and Keith A. Istre, and each of them acting singly, with full power of substitution, as Proxies to vote on behalf of the undersigned all shares of Class B Common and Series AA Preferred Stock of the Company that the undersigned is entitled to vote at the Annual Meeting of Stockholders of the Company to be held on May 30, 2019, and at all adjournments of the Annual Meeting. The undersigned hereby revokes any proxy previously given with respect to such shares.

**This proxy, when properly executed, will be voted in the manner directed by the undersigned stockholder(s). If no specifications are made, the Proxies named above will vote the shares in accordance with the recommendations of the Board of Directors, which are set forth on the following page of this Proxy Card. THE PROXIES ARE AUTHORIZED TO VOTE IN THEIR DISCRETION ON ANY OTHER MATTERS PROPERLY COMING BEFORE THE MEETING.**

**(Continued and to be signed on following pages)**



**Table of Contents**

**ANNUAL MEETING OF STOCKHOLDERS OF**

**LAMAR ADVERTISING COMPANY**

**MAY 30, 2019**

**Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to Be Held on May 30, 2019** The proxy statement and annual report to security holders are available at <https://materials.proxyvote.com/512816>.

Please sign, date and return this proxy card to the Company as soon as possible.

**THE DIRECTORS RECOMMEND A VOTE FOR ALL NOMINEES FOR DIRECTORS IN PROPOSAL 1 and FOR PROPOSALS 2, 3 AND 4.**

**PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE:**

**1. Election of directors:**

FOR ALL NOMINEES

WITHHOLD AUTHORITY FOR ALL NOMINEES

FOR ALL EXCEPT  
(See instructions below)

**Nominees to Withhold Vote For:**

John E. Koerner, III  
Marshall A. Loeb  
Stephen P. Mumblow  
Thomas V. Reifenhaiser  
Anna Reilly  
Kevin P. Reilly, Jr.  
Wendell Reilly  
Elizabeth Thompson

**INSTRUCTIONS:** To withhold authority to vote for any individual nominee(s), mark **FOR ALL EXCEPT** and fill in the box next to each nominee you wish to withhold, as shown here:

**2. Approval of an amendment and restatement of the Company's 1996 Equity Incentive Plan to increase the number of shares of Class A Common Stock of the Company available for issuance under the plan by 2,000,000 shares from 15,500,000 to 17,500,000 shares.:**

FOR

AGAINST

ABSTAIN

**Table of Contents**

**3. Approval of the Company's 2019 Employee Stock Purchase Plan:**

FOR

AGAINST

ABSTAIN

**4. Ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for the 2019 fiscal year:**

FOR

AGAINST

ABSTAIN

Signature of  
Stockholder:

Date:

Signature of  
Stockholder:

Date:

**Note:** Please sign exactly as your name or names appear on this Proxy. When shares are held jointly, each holder should sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If the signer is a corporation, please sign in full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.