

SAIA INC  
Form DEF 14A  
March 20, 2009

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**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934**

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 Pursuant to § 240.14a-12

Saia, Inc.

(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)(1) 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):

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1) Amount Previously Paid:

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
To Be Held April 23, 2009**

To Our Shareholders:

We cordially invite you to attend the 2009 annual meeting of shareholders of Saia, Inc. The meeting will take place at EBC Office and Conference Center, 11330 Lakefield Dr., Bldg. 2, Johns Creek, Georgia 30097 on April 23, 2009, at 10:30 a.m. local time. We look forward to your attendance, either in person or by proxy.

The purpose of the meeting is to:

1. Elect three directors, each for a term of three years;
2. Ratify the appointment of KPMG LLP as Saia's independent registered public accounting firm for fiscal year 2009; and
3. Transact any other business that may properly come before the meeting and any postponement or adjournment of the meeting.

Only shareholders of record at the close of business on March 9, 2009 may vote at the meeting or any postponements or adjournments of the meeting.

By order of the Board of Directors,

James A. Darby  
*Secretary*

March 19, 2009

**Please complete, date, sign and return the accompanying proxy card or vote by telephone. The enclosed return envelope requires no additional postage if mailed in either the United States or Canada. Alternatively, you may vote electronically via the Internet. Go to [www.investorvote.com](http://www.investorvote.com) and follow the steps outlined on the secure website.**

**If you are a registered shareholder, you may elect to have next year's proxy statement and annual report made available to you via the Internet. We strongly encourage you to enroll in this service. It is a cost-effective way for us to send you proxy materials and annual reports.**

**Your vote is very important. Please vote whether or not you plan to attend the meeting.**

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**Saia, Inc.**  
**11465 Johns Creek Parkway**  
**Johns Creek, Georgia 30097**

**2009 PROXY STATEMENT**

The Board of Directors of Saia, Inc. ( Saia ), is furnishing you this proxy statement in connection with the solicitation of proxies on its behalf for the 2009 annual meeting of shareholders. The meeting will take place at EBC Office and Conference Center, 11330 Lakefield Dr., Bldg. 2, Johns Creek, Georgia 30097 on April 23, 2009, at 10:30 a.m. local time. At the meeting, shareholders will vote on the election of three directors, the ratification of the appointment of KPMG LLP as Saia s independent registered public accounting firm for fiscal year 2009, and will transact any other business that may properly come before the meeting, although we know of no other business to be presented.

By submitting your proxy (either by signing and returning the enclosed proxy card or by voting electronically on the Internet or by telephone), you authorize Richard D. O Dell, Saia s President and Chief Executive Officer, James A. Darby, Saia s Vice President Finance, Chief Financial Officer and Secretary, and John J. Holland, a director of Saia, to represent you and vote your shares at the meeting in accordance with your instructions. They also may vote your shares to adjourn the meeting and will be authorized to vote your shares at any postponements or adjournments of the meeting.

Saia s Annual Report to Shareholders for the fiscal year ended December 31, 2008, which includes Saia s audited annual consolidated financial statements, accompanies this proxy statement. Although the Annual Report is being distributed with this proxy statement, it does not constitute a part of the proxy solicitation materials and is not incorporated by reference into this proxy statement.

We are first sending this proxy statement, form of proxy and accompanying materials to shareholders on or about March 19, 2009.

***YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, PLEASE PROMPTLY SUBMIT YOUR PROXY EITHER IN THE ENCLOSED ENVELOPE, VIA THE INTERNET OR BY TELEPHONE.***

**INFORMATION ABOUT THE ANNUAL MEETING**

**What is the purpose of the annual meeting?**

At the annual meeting, the shareholders will be asked to:

1. Elect three directors, each for a term of three years; and
2. Ratify the appointment of KPMG LLP as Saia s independent registered public accounting firm for fiscal year 2009.

Shareholders also will transact any other business that may properly come before the meeting. Members of Saia s management team and a representative of KPMG LLP, Saia s independent registered public accounting firm, will be present at the meeting to respond to appropriate questions from shareholders.

**Who is entitled to vote?**

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The record date for the meeting is March 9, 2009. Only shareholders of record at the close of business on that date are entitled to vote at the meeting. The only class of stock entitled to be voted at the meeting is Saia's common stock. Each outstanding share of common stock is entitled to one vote for all matters before the meeting. At the close of business on the record date there were 13,510,709 shares of Saia common stock outstanding.

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**Am I entitled to vote if my shares are held in street name ?**

If your shares are held by a bank or brokerage firm, you are considered the beneficial owner of shares held in street name. If your shares are held in street name, these proxy materials are being forwarded to you by your bank or brokerage firm (the record holder), along with a voting instruction card. As the beneficial owner, you have the right to direct your record holder how to vote your shares and the record holder is required to vote your shares in accordance with your instructions. If you hold shares beneficially in street name and do not provide your broker with voting instructions, your shares may constitute broker non-votes. Generally, broker non-votes occur on a matter when a broker is not permitted to vote on that matter without instructions from the beneficial owner and instructions are not given.

As the beneficial owner of shares, you are invited to attend the annual meeting. If you are a beneficial owner, however, you may not vote your shares in person at the meeting unless you obtain a proxy form from the record holder of your shares.

**How many shares must be present to hold the meeting?**

A quorum must be present at the meeting for any business to be conducted. The presence at the meeting, in person or by proxy, of the holders of a majority of the shares of common stock outstanding on the record date will constitute a quorum. Proxies received but marked as abstentions or treated as broker non-votes will be included in the calculation of the number of shares considered to be present at the meeting.

**What if a quorum is not present at the meeting?**

If a quorum is not present at the scheduled time of the meeting, the shareholders who are represented may adjourn the meeting until a quorum is present. The time and place of the adjourned meeting will be announced at the time the adjournment is taken, and no other notice will be given.

**How do I vote?**

1. *You May Vote by Mail.* If you properly complete and sign the accompanying proxy card and return it in the enclosed envelope, it will be voted in accordance with your instructions. The enclosed envelope requires no additional postage if mailed in either the United States or Canada.

2. *You May Vote by Telephone or the Internet.* If you are a registered shareholder (that is, if you hold your stock directly and not in street name), you may vote by telephone or on the Internet by following the instructions included on the proxy card. If you vote by telephone or on the Internet, you do not have to mail in your proxy card. Internet and telephone voting are available 24 hours a day. Votes submitted through the Internet or by telephone must be received by 11:59 p.m. Eastern time on April 22, 2009.

If your shares are held in street name, you still may be able to vote your shares electronically by telephone or on the Internet. Broadridge Financial Solutions offers telephone and Internet voting options. If your shares are held in an account at a bank or brokerage firm that participates in the Broadridge program, you may vote those shares electronically by telephone or on the Internet by following the instructions set forth on the voting form provided to you.

**NOTE: If you are a registered shareholder, you may elect to have next year's proxy statement and annual report made available to you via the Internet. We strongly encourage you to enroll in this service. It is a cost-effective way for us to send you proxy materials and annual reports.**

3. *You May Vote in Person at the Meeting.* If you are a registered shareholder and attend the meeting, you may deliver your completed proxy card in person. Additionally, we will pass out written ballots to registered shareholders who wish to vote in person at the meeting. Beneficial owners of shares held in street name who wish to vote at the meeting will need to obtain a proxy form from their record holder.



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**Can I change my vote after I submit my proxy?**

Yes, you may revoke your proxy and change your vote:

by signing another proxy with a later date;

by voting by telephone or on the Internet (your latest telephone or Internet vote is counted); or

if you are a registered shareholder, by giving written notice of such revocation to the Secretary of Saia prior to or at the meeting or by voting in person at the meeting.

Your attendance at the meeting itself will not revoke your proxy unless you give written notice of revocation to the Secretary before your proxy is voted or you vote in person at the meeting.

**Who will count the votes?**

Saia's transfer agent, Computershare Trust Company, N.A., will tabulate and certify the votes. A representative of the transfer agent will serve as an inspector of election.

**How does the Board of Directors recommend I vote on the proposals?**

Your Board recommends that you vote:

FOR the election of the three nominees to the Board of Directors; and

FOR the ratification of KPMG LLP as Saia's independent registered public accounting firm.

**What if I do not specify how my shares are to be voted?**

If you submit a proxy but do not indicate any voting instructions, your shares will be voted:

FOR the election of the three nominees to the Board of Directors; and

FOR the ratification of KPMG LLP as Saia's independent registered public accounting firm.

**Will any other business be conducted at the meeting?**

We know of no other business that will be presented at the meeting. If any other matter properly comes before the shareholders for a vote at the meeting the proxy holders will vote your shares in accordance with their best judgment.

**How many votes are required to elect the director nominees?**

Because this is considered an uncontested election under the Company's Bylaws, a nominee for Director is elected to the Board if the votes cast for such nominee's election exceed the votes cast against such nominee's election. Abstentions will not affect the election of Directors. In tabulating the voting results for the election of directors, only

FOR and AGAINST votes are counted. If an incumbent Director fails to receive a majority of the vote for re-election, the Nominating and Governance Committee of the Board will act on an expedited basis to determine whether to accept the Director's previously tendered irrevocable resignation and will submit such recommendation for prompt consideration by the Board. In considering whether to accept or reject the tendered resignation, the Nominating and

Governance Committee and the Board will consider any factors they deem relevant in deciding whether to accept a Director's resignation. Any Director who tenders his or her resignation pursuant to this provision of the Corporate Governance Guidelines will not participate in the Nominating and Governance Committee recommendation or Board consideration regarding whether or not to accept the tendered resignation.

**What happens if a nominee is unable to stand for election?**

If a nominee is unable to stand for election, the Board of Directors may either reduce the number of directors to be elected or select a substitute nominee. If a substitute nominee is selected, the proxy holders will vote your shares for the substitute nominee unless you have withheld authority.

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**How many votes are required to ratify the appointment of Saia's independent registered public accounting firm?**

The ratification of the appointment of KPMG LLP as Saia's independent registered public accounting firm requires the affirmative vote of a majority of the shares present at the meeting in person or by proxy and entitled to vote.

**How will abstentions be treated?**

Abstentions will be treated as shares present for quorum purposes and entitled to vote, so they will have the same practical effect as votes against a proposal, except that in the case of the election of directors, they will have no effect.

**How will broker non-votes be treated?**

Broker non-votes will be treated as shares present for quorum purposes, but not entitled to vote, so they will not affect the outcome of any proposal.

**PROPOSAL 1**

**ELECTION OF DIRECTORS**

**Current Nominees**

The Board of Directors currently consists of nine directors divided into three classes (Class I, Class II and Class III). Directors in each class are elected to serve for three-year terms that expire in successive years. The terms of the Class I directors will expire at the upcoming annual meeting. The Board of Directors has nominated Herbert A. Trucksess, III, James A. Olson and Jeffrey C. Ward for election as Class I directors for three-year terms expiring at the annual meeting of shareholders to be held in 2012 and until their successors are elected and qualified. Messrs. Trucksess, Olson and Ward currently serve as Class I directors.

Each nominee has consented to being named in this proxy statement and has agreed to serve if elected. If a nominee is unable to stand for election, the Board of Directors may either reduce the number of directors to be elected or select a substitute nominee. If a substitute nominee is selected, the proxy holders will vote your shares for the substitute nominee, unless you have withheld authority.

Because this is considered an uncontested election under the Company's Bylaws, a nominee for Director is elected to the Board if the votes cast for such nominee's election exceed the votes cast against such nominee's election. Abstentions will not affect the election of Directors. In tabulating the voting results for the election of directors, only FOR and AGAINST votes are counted. If an incumbent Director fails to receive a majority of the vote for re-election, the Nominating and Governance Committee of the Board will act on an expedited basis to determine whether to accept the Director's previously tendered irrevocable resignation, and will submit such recommendation for prompt consideration by the Board. In considering whether to accept or reject the tendered resignation, the Nominating and Governance Committee and the Board will consider any factors they deem relevant in deciding whether to accept a Director's resignation. Any Director who tenders his or her resignation pursuant to this provision of the Corporate Governance Guidelines will not participate in the Nominating and Governance Committee recommendation or Board consideration regarding whether or not to accept the tendered resignation.

**YOUR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF EACH OF THE THREE NOMINEES.**



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The following table sets forth, with respect to each nominee, the nominee's name, age, principal occupation and employment during the past five years, the year in which the nominee first became a director of Saia and directorships held in other public companies.

**NOMINEES FOR ELECTION AS  
CLASS I DIRECTORS FOR A THREE-YEAR  
TERM EXPIRING AT THE 2012 ANNUAL MEETING**

| <b>Director, Year First Elected as Director</b> | <b>Age</b> | <b>Principal Occupation, Business and Directorships</b>  |
|---|------------|--|
| Herbert A. Trucksess, III, 2000                 | 59         | Mr. Trucksess is Chairman of the Board of Directors of Saia. He was named President and Chief Executive Officer of the Yellow Regional Transportation Group (now Saia, Inc.) in February 2000 and served as Chief Executive Officer until December 2006. Mr. Trucksess is a director of School Specialty, Inc., a publicly-traded provider of educational products and services.                   |
| James A. Olson, 2002                            | 66         | Mr. Olson is a member of Plaza Belmont LLC, a private equity fund and served as Chief Financial Officer of Plaza Belmont LLC from 1999 to 2006. He retired in March 1999 from Ernst & Young LLP after 32 years. Mr. Olson is a member of the Board of Trustees of Entertainment Properties Trust, a publicly-traded real estate investment trust, and a director of American Century Mutual Funds. |
| Jeffrey C. Ward, 2006                           | 50         | Mr. Ward is a Vice President at A.T. Kearney, Inc., a global management consulting firm, where he is responsible for consulting assignments with a focus on the North American freight market. Mr. Ward joined A.T. Kearney, Inc. in 1991.   |

**Continuing Directors**

The terms of Saia's three Class II directors expire at the annual meeting of shareholders to be held in 2010. The terms of Saia's three Class III directors expire at the annual meeting of shareholders to be held in 2011. The following tables set forth, with respect to each Class II and Class III director, the director's name, age, principal occupation and employment during the past five years, the year in which the director first became a director of Saia and directorships held in other public companies.

**CLASS II DIRECTORS CONTINUING IN OFFICE  
WHOSE TERMS EXPIRE AT THE 2010 ANNUAL MEETING**

| <b>Director, Year First Elected as Director</b> | <b>Age</b> | <b>Principal Occupation, Business and Directorships</b>  |
|---|------------|--|
| John J. Holland, 2002                           | 59         | Mr. Holland has served as President, Chief Operating Officer and Chief Financial Officer of MMFX |

Technologies Corporation, a privately held steel manufacturing firm since October 2008. Previously, Mr. Holland served as Executive Vice President and Chief Financial Officer of Alternative Energy Sources, Inc., a publicly-traded ethanol company, since August 2006. Prior to that, Mr. Holland was the President and Chief Executive Officer and a director of Butler Manufacturing Company, a publicly-traded manufacturer of prefabricated buildings, from July 1999 and Chairman of the Board of Directors of Butler from November 2001 to October 2004. Mr. Holland is a member of the Board of Directors of Cooper Tire and Rubber Company.

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| <b>Director, Year First Elected as Director</b> | <b>Age</b> | <b>Principal Occupation, Business and Directorships</b>  |
|---|------------|--|
| Richard D. O Dell, 2006                         | 47         | Mr. O Dell has been President and Chief Executive Officer of Saia, Inc. since December 2006 and has served as President of Saia since July 2006. In 1997, Mr. O Dell joined Saia Motor Freight Line as Chief Financial Officer. He continued in that position until his appointment as President and CEO in 1999 of Saia Motor Freight Line. |
| Douglas W. Rockel, 2002                         | 52         | Mr. Rockel has been President, Chief Executive Officer and Chairman of the Board of Directors of Roots, Inc., a private commercial real estate development and investment company, since August 2001. Prior to that he was a Senior Vice President with ABN Amro Securities (formerly ING Barings) from February 1997 to July 2001.          |

**CLASS III DIRECTORS CONTINUING IN OFFICE  
WHOSE TERMS EXPIRE AT THE 2011 ANNUAL MEETING**

| <b>Director, Year First Elected as Director</b> | <b>Age</b> | <b>Principal Occupation, Business and Directorships</b>   |
|---|------------|---|
| Linda J. French, 2004                           | 61         | Ms. French is retired from her position as assistant professor of business administration at William Jewell College in Liberty, Missouri, where she served from 1997 to August 2001. Prior to joining the William Jewell faculty, Ms. French was a partner at the law firm of Blackwell Sanders Peper Martin and an executive officer of Payless Cashways, Inc.   |
| William F. Martin, Jr., 2004                    | 61         | Mr. Martin retired from Yellow Corporation, the former parent company of Saia, Inc., now known as YRC Worldwide Inc., in 2002, after 25 years of service. He had been senior vice president of legal, general counsel and corporate secretary.  |
| Björn E. Olsson, 2005                           | 63         | Mr. Olsson served on the Resident Management Team at George K. Baum & Company, an investment bank, from September 2001 to September 2004. Prior to that time Mr. Olsson was President and Chief Executive Officer/Chief Operating Officer of Harmon Industries, Inc., a publicly-traded supplier of signal and train control systems to the transportation industry, from August 1990 to November 2000. |

**CORPORATE GOVERNANCE**

**THE BOARD, BOARD MEETINGS AND COMMITTEES**

The system of governance practices followed by the Company is memorialized in the charters of the three standing committees of the Board of Directors (the Audit Committee, the Compensation Committee and the Nominating and Governance Committee) and in the Company's Corporate Governance Guidelines. The charters and Corporate Governance Guidelines are intended to provide the Board with the necessary authority and practices to review and evaluate the Company's business and to make decisions independent of the influence of the Company's management. The Corporate Governance Guidelines establish guidelines for the Board with respect to Board meetings, Board composition, selection and election, director responsibility, director access to management and independent advisors, and non-employee director compensation.



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The Corporate Governance Guidelines and committee charters are reviewed periodically and updated as necessary to reflect evolving governance practices and changes in regulatory requirements. The Corporate Governance Guidelines are reviewed annually and were most recently modified by the Board effective December 11, 2008. The Corporate Governance Guidelines and each of the Board's committee charters are available free of charge on the Company's website ([www.saia.com](http://www.saia.com)).

The Company has adopted a Code of Ethics and Business Conduct applicable to all officers and employees, including its principal executive officer, principal financial officer and controller. The Code of Ethic and Business Conduct is filed as Exhibit 14 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 filed with the Securities and Exchange Commission.

## **Non-Employee Chairman of the Board**

The Board of Directors has designated a non-employee director, Mr. Herbert A. Trucksess, III, as the Chairman of the Board. Mr. Trucksess formerly served as the Company's Chief Executive Officer.

## **Lead Independent Director**

The Board of Directors includes a Lead Independent Director.

The Lead Independent Director is elected annually by the independent directors. For 2008, the Lead Independent Director was Björn E. Olsson. The primary responsibilities of the Lead Independent Director are to:

- set jointly with the Chairman of the Board the schedule for Board meetings and provide input to the Chairman concerning the agenda for Board meetings;

- advise the Chairman as to the quality, quantity and timeliness of the flow of information to the non-employee directors;

- chair all meetings of the Board at which the Chairman is not present;

- coordinate, develop the agenda for, chair and moderate meetings of independent directors, and generally act as principal liaison between the independent directors and the Chairman;

- provide input to the Board concerning the Chief Executive Officer's performance; and

- provide input to the Nominating and Governance Committee regarding the appointment of chairs and members of the various committees.

In addition, the Lead Independent Director has the authority to call meetings of independent directors. If requested by major shareholders, the Lead Independent Director shall make himself reasonably available for direct communication.

## **Meetings**

The Board of Directors held five meetings in 2008. Each director attended at least 75% of the meetings convened by the Board and the applicable committees during such director's service on the Board.

Executive sessions of non-employee directors and separate executive sessions of independent directors are held as part of each regularly scheduled meeting of the Board. The sessions are chaired by the Lead Independent Director.



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**Committees**

The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating and Governance Committee. Current Committee memberships are as follows:

| <b>Audit Committee</b>  | <b>Compensation Committee</b>  | <b>Nominating and Governance Committee</b>   |
|---|--|--|
| James A. Olson, Chair<br>John J. Holland<br>Douglas W. Rockel | Linda J. French, Chair<br>William F. Martin, Jr.<br>Björn E. Olsson<br>Douglas W. Rockel | John J. Holland, Chair<br>Linda J. French<br>William F. Martin, Jr.<br>Björn E. Olsson |

**Audit Committee**

The Audit Committee has been established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The Audit Committee held eight meetings in 2008. The functions of the Audit Committee are described in the Audit Committee charter and include the following:

- review the adequacy and quality of Saia's accounting and internal control systems;
- review Saia's financial reporting process on behalf of the Board of Directors;
- oversee the entire audit function, both internal and independent, including the selection of the independent registered public accounting firm; and
- provide an effective communication link between the auditors (internal and independent) and the Board of Directors.

Each member of the Audit Committee meets the independence and experience requirements for audit committee members as established by The Nasdaq Global Select Market. The Board of Directors has determined that Mr. Olson, Mr. Holland and Mr. Rockel are audit committee financial experts, as defined by applicable rules of the Securities and Exchange Commission.

**Compensation Committee**

The Compensation Committee held five meetings in 2008. The functions of the Compensation Committee are described in the Compensation Committee charter and include the following:

- determine the salaries, bonuses and other remuneration and terms and conditions of employment of the named executive officers of Saia;
- supervise the administration of Saia's incentive compensation and equity-based compensation plans; and
- make recommendations to the Board of Directors with respect to Saia's executive officer compensation policies and the compensation of non-employee directors.

Each member of the Compensation Committee meets the definition of an independent director as established by The Nasdaq Global Select Market.

**Nominating and Governance Committee**

The Nominating and Governance Committee held two meetings in 2008. The functions of the Nominating and Governance Committee are described in the Nominating and Governance Committee charter and include the following:

review the size and composition of the Board and make recommendations to the Board as appropriate;

review criteria for election to the Board and recommend candidates for Board membership;

review the structure and composition of Board committees and make recommendations to the Board as appropriate;

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develop and oversee an annual self-evaluation process for the Board and its committees;

review the Company's enterprise risk management process for matters other than financial matters; and

provide oversight of corporate ethics issues and assess the adequacy of the Company's Code of Business Conduct and Ethics.

Each member of the Nominating and Governance Committee meets the definition of an independent director as established by The Nasdaq Global Select Market.

**ELECTION OF DIRECTORS**

Election to the Company's Board of Directors, in a contested election, shall be by a plurality of the votes cast at any meeting of stockholders. An election will be considered contested in which (i) the Secretary of the Company receives a notice that a stockholder has nominated a person for election to the Board of Directors in compliance with the advance notice requirements for stockholder nominees for Director set forth in the Company's Bylaws and (ii) such nomination has not been withdrawn by such stockholder on or before the 10th day before the Company first mails its notice of meeting for such meeting to the stockholders. If Directors are to be elected by a plurality of the votes cast, stockholders shall not be permitted to vote against a nominee.

In an uncontested election, Directors shall be elected by a majority of the votes cast for and against at any meeting of stockholders. If an incumbent Director fails to receive a majority of the vote for re-election in an uncontested election, the Nominating and Governance Committee will act on an expedited basis to determine whether to accept the Director's previously tendered irrevocable resignation and will submit such recommendation for prompt consideration by the Board. In considering whether to accept or reject the tendered resignation, the Nominating and Governance Committee and the Board will consider any factors they deem relevant in deciding whether to accept a Director's resignation. Any Director who tenders his or her resignation pursuant to this provision of the Corporate Governance Guidelines will not participate in the Nominating and Governance Committee recommendation or Board consideration regarding whether or not to accept the tendered resignation.

The Board will nominate for election or re-election as Director only candidates who agree to tender, promptly following the annual meeting at which they are elected or re-elected as Director, irrevocable resignations that will be effective upon (i) the failure to receive the required vote at the next annual meeting at which they will face re-election and (ii) Board acceptance of such resignation. The Board will fill Director vacancies and new directorships only with candidates who agree to tender, promptly following their appointment to the Board, the same form of resignation tendered by other Directors in accordance with the Corporate Governance Guidelines.

**CONSIDERATION OF DIRECTOR NOMINEES**

**Director Qualifications**

The Corporate Governance Guidelines include director qualification standards which provide as follows:

A majority of the members of the Board of Directors must qualify as independent directors in accordance with the rules of The Nasdaq Global Select Market;

No member of the Board of Directors should serve on the Board of Directors of more than three other public companies;

No person may stand for election as a director of the Company after reaching age 70; and

No director shall serve as a director, officer or employee of a competitor of the Company.

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While the selection of qualified directors is a complex, subjective process that requires consideration of many intangible factors, the Corporate Governance Guidelines provide that directors and candidates for director generally should, at a minimum, meet the following criteria:

Directors and candidates should have high personal and professional ethics, integrity, values and character and be committed to representing the interests of the Company and its shareholders;

Directors and candidates should have experience and a successful track record at senior policy-making levels in business, government, technology, accounting, law and/or administration;

Directors and candidates should have sufficient time to devote to the affairs of the Company and to enhance their knowledge of the Company's business, operations and industry; and

Directors and candidates should have expertise or a breadth of knowledge about issues affecting the Company that is useful to the Company and complementary to the background and experience of other Board members.

**Procedures for Recommendations and Nominations by Shareholders**

The Nominating and Governance Committee has adopted policies concerning the process for the consideration of director candidates by shareholders. The Nominating and Governance Committee will consider director candidates submitted by shareholders of Saia. Any shareholder wishing to submit a candidate for consideration should send the following information to the Secretary of the Company, Saia, Inc., 11465 Johns Creek Parkway, Suite 400, Johns Creek, Georgia 30097:

The name and address of the shareholder submitting the candidate as it appears on the Company's books; the number and class of shares owned beneficially and of record by such shareholder and the length of period held; and proof of ownership of such shares;

Name, age and address of the candidate;

A detailed resume describing, among other things, the candidate's educational background, occupation, employment history and material outside commitments (e.g., memberships on other boards and committees, charitable foundations, etc.);

Any information relating to such candidate that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to the Securities Exchange Act of 1934 and rules adopted thereunder;

A description of any arrangements or understandings between the recommending shareholder and such candidate;

A supporting statement which describes the candidate's reasons for seeking election to the Board of Directors, and documents his or her ability to satisfy the director qualifications described in Saia's Corporate Governance Guidelines; and

A signed statement from the candidate confirming his or her willingness to serve on the Board of Directors.

The Secretary of Saia will promptly forward such materials to the Nominating and Governance Committee Chair and the Chairman of the Board of Saia. The Secretary will also maintain copies of such materials for future reference by the Committee when filling Board positions.

If a vacancy arises or the Board decides to expand its membership, the Nominating and Governance Committee will seek recommendations of potential candidates from a variety of sources (including incumbent directors, shareholders, the Corporation's management and third party search firms). At that time, the Nominating and Governance Committee also will consider potential candidates submitted by shareholders in accordance with the procedures described above. The Nominating and Governance Committee then evaluates each potential candidate's educational background, employment history, outside commitments and other relevant factors to determine whether he or she is potentially qualified to serve on the Board. The Committee seeks to identify and



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recruit the best available candidates and it intends to evaluate qualified shareholder candidates on the same basis as those submitted by other sources.

After completing this process, the Nominating and Governance Committee will determine whether one or more candidates are sufficiently qualified to warrant further investigation. If the process yields one or more desirable candidates, the Committee will rank them by order of preference, depending on their respective qualifications and Saia's needs. The Nominating and Governance Committee Chair, or another director designated by the Nominating and Governance Committee Chair, will then contact the desired candidate(s) to evaluate their potential interest and to set up interviews with the full Committee. All such interviews are held in person and include only the candidate and the Nominating and Governance Committee members. Based upon interview results, the candidate's qualifications and appropriate background checks, the Nominating and Governance Committee then decides whether it will recommend the candidate's nomination to the full Board.

Separate procedures apply if a shareholder wishes to submit a director candidate at the Company's annual meeting that is not approved by the Nominating and Governance Committee or the Board of Directors. Pursuant to Section 2.07(a) of the Amended and Restated By-Laws of the Company, most recently amended in July 2008, for nominations to be properly brought before an annual meeting pursuant to clause (C) of paragraph (a)(i) of Section 2.07 of the By-Laws, the shareholder must have given timely notice thereof in writing to the Secretary of the Company. To be timely, a shareholder's notice must be delivered or mailed to and received at the principal executive offices of the Company not later than the close of business on the 90th calendar day nor earlier than the 120<sup>th</sup> calendar day prior to the first anniversary date of the immediately preceding year's annual meeting. Such shareholder's notice shall set forth the following items:

As to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made:

the name and address of such stockholder and of such beneficial owner, as they appear on the Company's books;

the class and number of shares of the Company which are, directly or indirectly, owned beneficially and of record by such stockholder and such beneficial owner;

certain derivative instruments directly or indirectly owned beneficially by such stockholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Company;

any short interest in any security of the Company;

any proportionate interest in shares of the Company or derivative instrument held, directly or indirectly, by a general or limited partnership in which such stockholder or beneficial owner is a general partner, or directly or indirectly, beneficially owns an interest in a general partner;

any performance-related fees (other than an asset-based fee) that such stockholder or beneficial owner is entitled to based on any increase or decrease in the value of shares of the Company or derivative instruments, if any, as of the date of such notice including without limitation any such interests held by members of such stockholder's or beneficial owner's immediate family sharing the same household;

a representation that the stockholder is a holder of record of stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or

nomination; and

a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Company's outstanding capital stock required to elect the nominee and/or otherwise to solicit proxies from stockholders in support of such or nomination.

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As to each person, if any, whom the stockholder proposes to nominate for election or reelection as a director:

all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder;

a description of all compensation and other material monetary agreements during the past three years, and any other material relationships, between or among such stockholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith and each proposed nominee, including without limitation, all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person in concert therewith, were the registrant for purposes of such rule and the nominee were a director or executive officer of such registrant;

a statement whether such person, if elected, intends to tender, promptly following such person's election or re-election, an irrevocable resignation effective upon such person's failure to receive the required vote for re-election at the next meeting at which such person would face re-election and upon acceptance of such resignation by the Board of Directors, in accordance with the Company's Corporate Governance Guidelines; and

a completed and signed questionnaire, representation and agreement as required the Company's By-Laws. The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee.

The foregoing summary is qualified in its entirety by reference to the Company's By-Laws which have been filed with the Securities and Exchange Commission and copies of which are available from the Company.

**SHAREHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS**

The Board of Directors has adopted the following procedures for shareholders to send communications to the Board or individual directors of the Company:

Shareholders seeking to communicate with the Board of Directors should submit their written comments to the Secretary of the Company, Saia, Inc., 11465 Johns Creek Parkway, Suite 400, Johns Creek, Georgia 30097. The Secretary of the Company will forward all such communications (excluding routine advertisements and business solicitations and communications which the Secretary of the Company, in his or her sole discretion, deems to be a security risk or for harassment purposes) to each member of the Board of Directors, or if applicable, to the individual director(s) named in the correspondence. Subject to the following, the Chairman of the Board and the Lead Independent Director will receive copies of all shareholder communications, including those addressed to individual directors, unless such communications address allegations of misconduct or mismanagement on the part of the Chairman. In such event, the Secretary of the Company will first consult with and receive the approval of the Lead Independent Director before disclosing or otherwise discussing the communication with the Chairman.

The Company reserves the right to screen materials sent to its directors for potential security risks and/or harassment purposes and the Company also reserves the right to verify ownership status before forwarding shareholder communications to the Board of Directors.

The Secretary of the Company will determine the appropriate timing for forwarding shareholder communications to the directors. The Secretary will consider each communication to determine whether it should be forwarded promptly or compiled and sent with other communications and other Board materials in advance of the next scheduled Board meeting.

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Shareholders also have an opportunity to communicate with the Board of Directors at the Company's annual meeting of shareholders. The Company's Corporate Governance Guidelines provide that absent unusual circumstances, directors are expected to attend all annual meetings of shareholders. Each of the directors then-serving on the Board attended the Company's 2008 annual meeting of shareholders.

**STOCK OWNERSHIP****Directors and Executive Officers**

The following table sets forth the amount of Saia's common stock beneficially owned by each director and each executive officer named in the Summary Compensation Table on page 25 and all directors and executive officers as a group, as of January 31, 2009. Unless otherwise indicated, beneficial ownership is direct and the person indicated has sole voting and investment power.

| Name of Beneficial Owner                                     | Common Stock Beneficially Owned |   |         | Percent of Class(3) | Share Units Held Under Deferral Plans(4) |
|--|---------------------------------|---|---------|---------------------|--|
|  | Shares Beneficially Owned(1)    | Rights to Acquire Beneficial Ownership(2) | Total   |                     |  |
| Linda J. French  | 3,929                           |   | 3,929   | *                   | 6,219                                    |
| John J. Holland  | 1,079                           | 12,500                                    | 13,579  | *                   | 11,126                                   |
| William F. Martin, Jr.                                       | 700                             |   | 700     | *                   | 7,180                                    |
| Richard D. O Dell  | 46,000                          | 81,082                                    | 127,082 | *                   | 38,630                                   |
| James A. Olson   | 1,037                           | 12,500                                    | 13,537  | *                   | 12,374                                   |
| Björn E. Olsson  | 2,000                           |   | 2,000   | *                   | 8,758                                    |
| Douglas W. Rockel  | 2,075                           | 12,500                                    | 14,575  | *                   | 11,650                                   |
| Herbert A. Trucksess, III                                    | 380,374                         | 25,840                                    | 406,214 | 3.01%               |  |
| Jeffrey C. Ward  | 4,000                           |   | 4,000   | *                   | 7,012                                    |
| Anthony D. Albanese  | 18,000                          | 8,890                                     | 26,890  | *                   | 36,489                                   |
| James A. Darby   | 7,000                           | 28,306                                    | 35,306  | *                   | 24,894                                   |
| Sally R. Buchholz  | 3,000                           | 8,165                                     | 11,165  | *                   | 12,791                                   |
| Stephanie R. Maschmeier                                      |                                 |   |         | *                   | 2,160                                    |
| Mark H. Robinson   | 2,750                           | 25,024                                    | 27,774  | *                   | 11,712                                   |
| All directors and executive officers as a group (14 persons) | 471,944                         | 214,807                                   | 686,751 | 5.08%               | 190,995                                  |

\* Denotes less than 1%

(1) Includes common stock owned directly and indirectly. 100,000 of Mr. Trucksess' shares are held indirectly in a revocable trust.

(2) Number of shares that can be acquired on January 31, 2009 or within 60 days thereafter through the exercise of stock options. These shares are excluded from the 'Shares Beneficially Owned' column.

- (3) Based on the number of shares outstanding on January 31, 2009 (13,510,709) and includes the number of shares subject to acquisition by the relevant beneficial owner within 60 days thereafter. Including the number of shares subject to acquisition by the relevant beneficial owner pursuant to the Company's Directors' Deferred Fee Plan or Executive Capital Accumulation Plan upon such beneficial owner's termination of services as a Director or employee, the Percent of Class for all directors and executive officers as a group equals 6.50%.
- (4) Represents phantom stock units, receipt of which has been deferred pursuant to the Company's Directors' Deferred Fee Plan or Executive Capital Accumulation Plan. The value of the phantom stock units deferred pursuant to the Company's Directors' Deferred Fee Plan or Executive Capital Accumulation Plan track the performance of the Company's common stock and the phantom stock units are payable in stock upon the relevant beneficial owner's termination of service as Director or employee.

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**SAIA, INC.**  
**COMPENSATION DISCUSSION AND ANALYSIS**

**Executive Compensation Philosophy and Oversight**

Saia Inc. s ( Saia or the Company ) executive compensation philosophy is determined by the Compensation Committee of the Board of Directors (the Committee ). The Committee believes that the executive compensation program should link pay with performance and should attract, motivate, reward and facilitate the retention of the executive talent required to achieve corporate objectives, especially to create value for the Company s shareholders. To this end, Saia integrates several key compensation components that are designed to align rewards with the short- and long-term performance of the Company and of each executive. These components are:

| <b>Component</b>                                  | <b>Objective</b>  |
|---|---|
| Base Salary    Cash                               | Provide a fixed form of executive compensation for performing daily responsibilities.   |
| Annual Incentives    Cash                         | Motivate and reward executives for achieving specific short-term corporate objectives.  |
| Long-Term Incentives    Stock                     | Motivate and reward executives for achieving long-term corporate objectives, including shareholder value creation, superior performance in the industry, and executive retention. |
| Other Benefits and Perquisites    Various forms   | Provide competitive benefits; executive retention.  |
| Post-Employment Compensation<br>Cash and benefits | Promote recruitment and retention; ensure non-competition, non-disclosure, non-solicitation.  |

The executive compensation program is administered by the Committee, which is made up entirely of independent directors. A complete description of the Committee s responsibilities is provided in the Committee s Charter, which is approved by the Board of Directors and can be found on the Company s website ([www.saia.com](http://www.saia.com)) under the investor relations section.

The Committee annually reviews the Company s compensation philosophy, the overall design of the compensation program and the design elements of each component of compensation. In making annual decisions about compensation for the executives identified in the Summary Compensation table (the Named Executive Officers ) as described in the table above, the Compensation Committee also takes the following factors into consideration, although none of these factors are persuasive individually or in the aggregate:

Each Named Executive Officer s total compensation, including the value of all outstanding equity awards granted to the Named Executive Officers, and future compensation opportunities;

Internal pay equity;

The Company s stock ownership and retention policies;

The current external environment and the economic conditions in which the Company operates;

The Company's performance in the last twelve to twenty-four months, as well as the strategic plan for future periods; and

The competitive environment for recruiting and retaining Named Executive Officers, including trends, best practices, and executive compensation paid by relevant competitors (peer group data).

The Committee uses peer group data as a means to test external equity. That, coupled with the internal equity analysis, helps to promote overall, fundamental fairness in the program. The desire to achieve fundamental fairness drives the design, levels and components of the reward system. The Committee then tailors the program as needed in a given year to reflect Company needs and individual contributions and performance, present and future.

The Committee does not believe Saia's incentive compensation arrangements encourage senior executives to take unnecessary and excessive risks. As described in detail below, the Committee has established a reasonable mix



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of short- and long-term incentives. The short-term incentive is in the form of a cash bonus that is capped to eliminate windfall payouts. One-half of the long term incentive is in the form of performance unit plan grants that are based on Company stock price performance over a three-year period, rewarding longer-term financial performance. Payments under the performance unit plan grants are in Company common stock and are also capped. Profit earned upon exercising stock options, as well as stock received under the performance unit plan grants, are subject to the stock ownership guidelines discussed below, further aligning the long-term interests of management with that of shareholders. As discussed below, the Board has also implemented a compensation recovery policy that requires reimbursement of performance-based compensation in certain instances.

The Committee has retained Mercer US, Inc. ( Mercer ) as its independent executive compensation consultant, to provide information, analyses and advice regarding executive and director compensation. The Mercer consultant who performs these services reports directly to the Committee chair. The Committee has established procedures to ensure that Mercer s advice to the Committee remains objective and is not influenced by the Company s management. The Board has adopted a policy that prohibits Mercer and its affiliates from providing services to the Company without the prior approval of the Board. The Committee regularly meets with the Mercer consultant outside the presence of management to discuss executive compensation philosophy and specific levels of compensation and to ensure that Mercer receives from management the information required to perform its duties. The Committee formally evaluates the performance of Mercer on an annual basis and may terminate the services of Mercer at any time.

**Peer Group**

To assist management and the Compensation Committee in determining the appropriate compensation design, levels and components for the Company s executive officers, the Committee annually reviews compensation data for similar positions at other comparable, like-sized companies. The peer group companies are selected with input from Mercer and are comprised of U.S. publicly traded transportation companies with annual revenues one-half to three times Saia s revenues. In addition to revenues, the Committee also strives to select companies with similar assets, net incomes and market caps. For comparison, the Company s 2007 operating revenues were \$976.1 million. The specific peers included in the review for 2008 were:

| <b>Company</b>                  | <b>Industry</b>         | <b>2007 Revenues<br/>(In millions)</b> |
|---------------------------------|-------------------------|--|
| Air Transport Services Group    | Air Freight & Logistics | \$ 1,175                               |
| Arkansas Best Corporation       | Trucking                | \$ 1,837                               |
| Celadon Group, Inc.             | Trucking                | \$ 566                                 |
| Covenant Transportation         | Trucking                | \$ 713                                 |
| Frozen Food Express Industries  | Trucking                | \$ 452                                 |
| Heartland Express               | Trucking                | \$ 592                                 |
| Horizon Lines Inc.              | Marine                  | \$ 1,207                               |
| Hub Group Inc.                  | Air Freight & Logistics | \$ 1,658                               |
| Kirby Corp.                     | Marine                  | \$ 1,173                               |
| Knight Transportation, Inc.     | Trucking                | \$ 714                                 |
| Landstar System Inc.            | Trucking                | \$ 2,487                               |
| Marten Transportation Ltd.      | Trucking                | \$ 560                                 |
| Old Dominion Freight Line, Inc. | Trucking                | \$ 1,400                               |
| Pacer International Inc.        | Air Freight & Logistics | \$ 1,969                               |
| Quality Distribution            | Trucking                | \$ 752                                 |
| Universal Truckload Services    | Trucking                | \$ 680                                 |

|                    |          |    |       |
|--------------------|----------|----|-------|
| USA Truck, Inc.    | Trucking | \$ | 482   |
| Vitran Corporation | Trucking | \$ | 671   |
| Werner Enterprises | Trucking | \$ | 2,071 |

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Some of the peer group companies have extensive stock ownership by executives. If the ownership amounts were disclosed by the peer group company to have an impact on executive compensation levels, the specific compensation element is excluded from the competitive data and associated analysis.

**2007, 2008 and 2009 Executive Compensation Decisions****Total Compensation**

Based on the Committee's annual reviews for 2007, 2008 and 2009, the Committee has concluded that the amounts payable to each Named Executive Officer under each individual element, as well as the Named Executive Officer's total compensation in the aggregate, were reasonable and were consistent with the recommendations of Mercer. The Committee further concluded that the Company's executive compensation program met the objectives of attracting, retaining, motivating, and rewarding talented executives who can contribute to Saia's long-term success and thereby build value for shareholders. Decisions with respect to each component of executive compensation are described below.

**Base Salary**

The Committee has selected the market 50<sup>th</sup> percentile as the targeted positioning for base salaries of the Company's executives. For 2008, Mercer's analysis showed the Company's executive base salaries were generally below the 50th percentile, although, in the view of the Committee, within a reasonable range of the 50th percentile. For each Named Executive Officer, the Committee also considered the factors bulleted under Executive Compensation Philosophy and Oversight, giving special attention to individual and Company performance, experience, future advancement potential, impact on Saia's results, pay mix, internal equity, and the importance of executive retention. Effective December 1, 2007, the Named Executive Officers received an average increase in base salary of 2.5%. Based on the current economic environment, Company performance and the Company's strategic plan for 2009, the Named Executive Officers did not receive an increase in base salary in December 2008. This places base compensation for 2009 well below the targeted 50% level, and the Committee intends to address this discrepancy over time as the economy and Company performance improve.

**Annual Incentives**

The Annual Incentive Plan provides all officers and other salaried Company employees the opportunity to receive cash payments. The plan sets out a threshold, target and maximum payout level for each executive and an associated performance goal to achieve the payout levels. For 2008, the potential payout levels for Named Executive Officers were as follows:

| Named Executive Officer | Payout as a % of Base Salary |        |         |
|-------------------------|------------------------------|--------|---------|
|                         | Threshold                    | Target | Maximum |
| Richard D. O Dell       | 17.5%                        | 70%    | 140%    |
| Anthony D. Albanese     | 11.25%                       | 45%    | 90%     |
| James A. Darby          | 11.25%                       | 45%    | 90%     |
| Sally R. Buchholz       | 10.0%                        | 40%    | 80%     |
| Mark H. Robinson        | 10.0%                        | 40%    | 80%     |

The Committee strives to set the threshold, target and maximum performance goals at levels such that the relative likelihood that Saia will achieve such goals remains consistent from year to year. It is the intent of the Committee that

the threshold goals should be attainable a majority of the time, target goals should, on average, be reasonably expected to be achieved and that maximum goals should be attained a minority of the time. These levels of expected performance are taken into consideration in the compensation philosophy and evaluation of compensation previously discussed. Establishing the expected performance goals relative to these criteria is inherently subject to considerable judgment on the part of the Committee. When making these judgments the Committee considers the Company's past performance, the volatility of the performance, the budget, current economic conditions and other forecasts of future results.

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For 2008, the annual incentive goals set by the Committee for the Named Executive Officers were based on a combination of two measures. Corporate earnings per share was the basis for 75% of the annual incentive and operating ratio improvement as compared to a competitor group was the basis for 25% of the incentive. Earnings per share was selected to align the goal with shareholder interests and competitive practices. Operating ratio improvement was chosen as a measure based on the Company's focus on improving profitability. The peer group for the comparison of operating ratio improvement was comprised of four non-union less-than-truckload publicly traded companies: Old Dominion Freight Line, Inc., Con-way, Inc., Vitran Corporation, Inc., and FedEx Freight (less-than-truckload subsidiary of FedEx). The Company's operating ratio improvement is measured compared to the peer group's average operating ratio improvement. The specific earnings per share and operating ratio improvement measures for 2008 were as follows:

**Annual Incentive Targets for 2008**

| <b>Measure</b>   | <b>Threshold</b> | <b>Target</b> | <b>Maximum</b> |
|--|------------------|---------------|----------------|
| Earnings per share (75% of total award)  | \$ 1.23          | \$ 1.96       | \$ 2.94        |
| Operating Ratio Improvement (as a% compared to peer group performance)(25% of total award) | -0.10%           | -0.50%        | -1.50%         |

The combination of the two measures is only applicable to the Company's officers. For all other salaried employees, the payout of the annual incentive is based only on the achievement of the earnings per share goals. The officers are only eligible to receive payment on the operating ratio measure if overall the Company has achieved the threshold earnings per share measure. Based on earnings per share performance in 2008, there were no payouts under the annual incentive plan for 2008.

For 2009, the annual incentive plan for the Named Executive Officers is comparable to 2008 with two financial goals: 75% earnings per share and 25% operating ratio improvement. The peer group for operating ratio improvement has not changed from 2008. The specific performance goals for 2009 were set considering 2008 performance, the strategic plan, and the annual 2009 budget.

Over the past five years, the performance of the Company's business unit, Saia Motor Freight, has exceeded target incentive goals three times but has not exceeded the maximum performance goals. The payout percentages for the corporate goals over the past five years have been between zero and approximately 123% of an executive's target incentive opportunity.

**Long-Term Incentives**

Under the authority granted in the Amended and Restated 2003 Omnibus Incentive Plan, the Committee has chosen to provide long-term incentives to the executive officers as a means to stimulate performance superior to other companies in Saia's industry, to tie compensation to shareholder value creation and to encourage executive retention. All Company officers are eligible to participate in the long-term incentive program. For 2009, 2008 and 2007, 50% of a Named Executive Officer's long-term incentive opportunity was granted in performance units and 50% in stock options (valued using the Black-Scholes option pricing model). This mix of awards was selected to balance the focus between relative and absolute stock performance and reflect competitive practices. The Committee also made a special grant of restricted stock units in 2008 to Mr. O Dell and Mr. Albanese to facilitate executive retention, as described below.

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To determine the total value of the long-term incentives granted each year, the Committee has utilized market data prepared by Mercer. Mercer has analyzed the types and median targets of long-term incentives granted to comparable officers at the peer group companies detailed in the Peer Group section above. The Committee has then used the Mercer analysis and pay mix, position, and internal equity factors to determine the appropriate target percentages of base compensation and the value of the long-term incentive for each officer. For 2008 and 2009, the target long-term incentives as a percentage of base salary for the Named Executive Officers were:

| <b>Named Executive Officer</b> | <b>2008</b> | <b>2009</b> |
|--------------------------------|-------------|-------------|
| Richard D. O Dell              | 80%         | 80%         |
| Anthony D. Albanese            | 60%         | 60%         |
| James A. Darby                 | 53%         | 53%         |
| Sally R. Buchholz              | 40%         | 53%         |
| Mark H. Robinson               | 53%         | 53%         |

Once the targets and values were determined, the key elements of the awards were established, as described below.

***Stock Options***

The role of stock options is to reward executives for increasing absolute long-term shareholder value. The value of each stock option award is equal to 50% of the target long-term incentive award using the Black-Scholes option pricing model. Stock option grants have historically been awarded in the first quarter of the fiscal year. The Company has a policy to make annual equity awards to the Company's executive officers, including the Named Executive Officers, on the third trading day following the release of the Company's financial results for the prior fiscal year. The exercise price of the stock options is equal to the closing share price of Saia common stock on NASDAQ on the grant date. The Omnibus Incentive Plan strictly prohibits re-pricing of stock options. All stock options granted to date have been non-qualified stock options.

Stock options granted in 2009, 2008 and 2007 have a three-year cliff vesting schedule and a seven-year term. The only exception to this vesting and term schedule was a special grant of 19,990 options to Mr. O Dell made in February 2007 in recognition of his promotion to CEO. These options have a ten-year term and vest one-third on each of the third, fourth and fifth anniversary of grant. All stock options granted to date vest on the basis of passage of time, subject to earlier vesting upon a change of control and, as to Mr. O Dell and Mr. Albanese, subject to their employment agreements described below. The Committee believes time-vested awards encourage long-term value creation and executive retention because generally executives can realize value from such awards only if the Company's stock price increases and they remain employed at Saia at least until the awards vest.

In February 2008, the Company granted a total of 60,130 stock options to the Named Executive Officers, representing 54% of the total stock options granted. In February 2009, the Company granted a total of 53,350 stock options to the Named Executive Officers, representing 56% of the total stock options granted.

***Performance Units***

The role of performance units is to reward executives for long-term value creation relative to peer companies. Since the size of the peer companies is not critical in assessing relative total shareholder returns, the peer group used for comparison is broader than the peer group used for determining base salaries and other long-term incentives. The peer group includes public companies in the broader transportation industry. The peer companies are as follows:

Arkansas Best Corp.

Celadon Group Inc.

CH Robinson Worldwide, Inc.

CNF, Inc.

Covenant Transport, Inc.

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EGL Inc.

FEDEX Corp.

Forward Air Corp.

Frozen Food Express Industries

Heartland Express, Inc.

Hub Group, Inc.

J.B. Hunt Transport Services

Knight Transportation, Inc.

Landstar Systems, Inc.

Marten Transport, Ltd.

Old Dominion Freight Line, Inc.

Pacer International, Inc.

P.A.M. Transportation, Inc.

Patriot Transportation Holdings, Inc.

Quality Distribution, Inc.

Ryder System Inc.

United Parcel Services, Inc.

Universal Truckload Services

USA Truck Inc.

US Xpress Enterprises, Inc.

UTI Worldwide Inc.

Vitran Corporation

Werner Enterprises, Inc.

YRC Worldwide, Inc.



The period of measurement for total shareholder return for each performance unit award is three years. Total shareholder return is calculated by taking the average closing common stock prices for the last 60 days prior to the beginning of the performance period and comparing it to the average closing common stock prices for the last 60 days prior to the end of the performance period. At the end of the performance period, the percentile rank of the Company's total shareholder return is calculated relative to the total shareholder return of each of the peer companies. Any peer company that is no longer publicly traded is excluded from this calculation. Over the performance periods of 2009-2011, 2008-2010 and 2007-2009, the payouts will be determined as follows:

| <b>Percent Rank of Saia's Total Shareholder Return from 2009 - 2011,<br/>2008 - 2010 and 2007 - 2009 Compared to Peer Companies</b> | <b>Payout Percentage of Target<br/>Incentive</b> |
|---|--|
| At 75th percentile or higher  | 200%   |
| At 50th percentile  | 100%   |
| At 25th percentile  | 25%  |
| Below 25th percentile   | 0%   |

The payout associated with the Company's percentile rank will be based on the chart above with payouts interpolated for performance between the 25th and 50th percentile and the 50th and 75th percentile. If the Company's total shareholder return for the performance period is negative, no payouts are made.

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Historically, payouts for the performance units were made in cash; however, beginning with awards granted in 2007 the payouts will be made in stock. The number of shares paid is calculated by dividing the amount payable by the common stock price on the date of the payout and rounding up to the next whole share. No payouts were made on performance units granted for the 2005-2007 or 2006-2008 performance periods since total shareholder returns for those periods were negative. Performance unit awards are not scheduled to be paid out until the first quarter of 2010 for the 2007-2009 performance period, the first quarter of 2011 for the 2008-2010 performance period and the first quarter of 2012 for the 2009-2011 performance period.

***Restricted Stock***

In 2008, the Committee addressed concerns about the impact of market volatility on long-term executive retention. Following an evaluation with the assistance of Mercer regarding various approaches to promote retention, the Committee approved a grant of 34,000 shares of restricted stock to Mr. O Dell and 17,000 shares of restricted stock to Mr. Albanese. These grants coincided with the grant date of stock options in February 2008. The shares of restricted stock vest 25% on February 1, 2011; 25% on February 1, 2012 and the balance on February 1, 2013 assuming the executive has been in continuous service to the Company since the award date.

**Other Benefits and Perquisites**

***Benefits***

The Company provides certain benefits to substantially all employees, including the Named Executive Officers. These benefits include paid holidays and vacation, medical, dental, disability and life insurance and a defined contribution retirement plan. The defined contribution retirement plan is a 401(k) plan to which employees may elect to make pre-tax contributions. The Company has the discretion to match 50% of all employee contributions, up to a maximum employee contribution of six percent of annual salary. Due to the current economic conditions, the Company elected to temporarily suspend the matching contribution starting in February 2009.

***Deferred Compensation Plan***

In addition to the benefits provided to all employees, the Company has established for officers and certain other employees an Executive Capital Accumulation Plan which is a non-qualified deferred compensation plan. The deferred compensation plan was implemented to motivate and ensure the retention of key employees by providing them with greater flexibility in structuring the timing of their compensation and tax payments. The Committee believes that the Company's deferred compensation plans provide a valuable benefit to senior executives while resulting in minimal costs to the Company.

Pursuant to the Capital Accumulation Plan, the Company has made an annual discretionary contribution for each participant that is equal to five percent of his or her base salary and annual incentive payment. In addition, to the extent a participant's contribution to the 401(k) plan is limited under restrictions placed on Highly Compensated Employees under ERISA, the participant may elect to contribute the limited amount to the 401(k) plan and the difference to the Capital Accumulation Plan. To the extent the Company is unable to match participant contributions under the 401(k) plan because of the ERISA limitations, the matching contributions will be made by the Company to the Capital Accumulation Plan. The Company's regular annual five percent contribution has a five year vesting period. Due to the current economic conditions, the Company elected to not make the annual discretionary contribution for 2008 and will reassess that decision in the latter part of 2009.

The Capital Accumulation Plan also allows the participant to make an elective deferral each year of up to 50% of base salary and up to 100% of any annual incentive plan payment. The participant must irrevocably elect the base salary

deferral before the beginning of the year in which compensation is being made and the annual incentive deferral no later than six months through the performance period.

The plan provides the same investment options to participants as are available under the 401(k) plan, except that participants may also elect to invest in Saia stock under the plan. Participants may elect to transfer balances between investment options without restriction at any time throughout the year, except that any investment in Saia

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stock is an irrevocable election and upon distribution that investment will be paid out in Saia stock, rather than cash. Vested plan balances become distributable to the participant upon termination of employment.

***Perquisites***

The types and amounts of perquisites have been determined by the Committee with input from Mercer based on perquisites granted to comparable officers by companies in the peer group applicable to base salary. The Company provides these perquisites because many companies in the peer group provide similar perquisites to their Named Executive Officers, and the Committee believes they are necessary for retention purposes. The Committee reviews the perquisites provided to the Named Executive Officers in an attempt to ensure that the perquisites continue to be appropriate in light of the Committee's overall goal of designing a compensation program that maximizes the interest of Saia's shareholders.

During 2008 and 2007, two Named Executive Officers (Mr. O'Dell and Mr. Albanese) received perquisites with a value greater than \$10,000. (See the "All Other Compensation" column of the Summary Compensation Table.) The perquisites provided to the Named Executive Officers include the following:

Car allowance (\$7,200 annual maximum per Named Executive Officer),

Financial/legal planning (\$5,000 annual maximum for Mr. O'Dell and \$4,000 annual maximum for each other Named Executive Officer),

Executive term life insurance (\$1,000,000 for Mr. O'Dell and \$500,000 for each other Named Executive Officer) and

Country club membership (no maximum amount and provided only to Mr. O'Dell).

**Post-Employment Compensation**

The Committee believes that severance and change in control arrangements are an important part of overall compensation for the Named Executive Officers because they help to secure the continued employment and dedication of the Named Executive Officers notwithstanding any concern they might have regarding their own continued employment prior to or following a change in control. The Committee also believes that these arrangements are important as a recruitment and retention device, as most of the companies with which Saia competes for executive talent have similar agreements in place for their senior employees. The Committee annually reviews the material terms of the agreements to ensure they are consistent with the Company's compensation philosophy.

**Executive Severance Agreements**

The Company has entered into severance agreements with each of the Named Executive Officers. These agreements include a "double trigger" meaning they only provide for severance payments and other benefits if there is a change-in-control of the Company and thereafter the executive's employment is terminated involuntarily (other than for cause) or voluntarily with good reason. The material terms of the executive severance agreements are reviewed annually by the Committee with input from Mercer and outside legal counsel to confirm that they remain generally consistent with competitive practices.

Under the severance agreements, if there is a change-in-control of the Company and within 24 months after the change-in-control the executive's employment is terminated involuntarily by the Company (other than for cause) or voluntarily by the executive with good reason, the executive would receive a severance payment equal to two times

(three times for Mr. O Dell) the highest annual base salary and annual incentive bonus paid or payable to the executive for any twelve consecutive months in the three years ending with the date of the executive's termination. In addition, all applicable health, medical, life insurance and long-term disability plans and programs covering the executive would continue for a period of two years (three years in the case of Mr. O Dell) following the termination date. The severance agreements also provide for a gross-up payment for any excise tax imposed by Section 4999 of the Internal Revenue Code. In the event of a change-in-control, all outstanding stock options would immediately vest and the executive would have 12 months from the date of the change-in-control (24 months in the case of Mr. O Dell) to exercise the options, but not beyond the original term of the option.

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### ***Employment Agreements Mr. O Dell and Mr. Albanese***

In order to provide an incentive for executive retention and to help support certain non-competition and non-solicitation provisions, the Company has entered into employment agreements with Mr. O Dell and Mr. Albanese. The employment agreements are for two-year terms (renewing daily) and each agreement provides for a minimum base salary. Subject to the minimum base salary, the Committee may set the executive's salary at any level it deems appropriate and the Committee evaluates and sets the base salaries on an annual basis.

The employment agreements include severance payments and benefits to Mr. O Dell and Mr. Albanese in the event of their employment termination under certain circumstances. All severance payments and benefits pursuant to the employment agreements are conditioned upon the executive's compliance with the non-disclosure, non-competition and employee and customer non-solicitation provisions of the employment agreement. The Company believes these provisions help ensure the long-term success of the Company and facilitate executive retention.

In the event either executive's employment is terminated by the Company without cause or by the executive for good reason, the employment agreement provides that the executive shall be entitled to receive base salary and benefits accrued through the termination date, along with a severance benefit equal to two times his annual rate of base salary immediately preceding his termination of employment, paid in a lump sum on the first day of the seventh month immediately following the executive's last day of employment. In addition, the Company is obligated to pay the executive a pro rated target bonus based on the actual portion of the fiscal year elapsed prior to the termination of the executive's employment. Such payment shall be made in a lump sum on the first day of the seventh month immediately following the executive's last day of employment together with interest on such target bonus at a reasonable rate to be determined by the Company. During the period of 24 months following the executive's termination of employment, the executive (and if covered under the applicable program, his spouse) would remain covered by the employee benefit plans and programs that covered him immediately prior to his termination of employment subject to certain exceptions. All outstanding stock options held by executive at the time of termination become fully exercisable upon such termination and the executive would have two years from the date of such termination to exercise such stock options, but not beyond the term of the option. Benefits provided under the employment agreement are subject to a gross-up payment for any excise tax imposed by Section 4999 of the Internal Revenue Code. The employment agreement provides that in the event of an employment termination that would provide severance benefits under both the executive severance agreement and the executive's employment agreement, the executive would be entitled to the greater of each benefit provided under the applicable agreements.

In the event of death or disability, Mr. O Dell and Mr. Albanese (or their respective estates) would be eligible to receive salary and benefits accrued through the date of the event, except that if the event occurred prior to the end of the performance period, any annual incentive would be forfeited. However, payment of long-term incentive performance units would be calculated using the event date as the end of the performance period, and then paid out based on a pro rata portion of the entire performance period. All outstanding stock options would immediately vest and would expire in one year, but not beyond the term of the option.

The material terms of the employment agreements are reviewed annually by the Committee with input from Mercer and outside legal counsel to confirm that they remain generally consistent with competitive practices.

### **Other Compensation Policies**

#### ***Stock Ownership Guidelines***

Because the Company is committed to aligning the executives' interests with those of the shareholders, the Board has approved Stock Ownership Guidelines for all officers who are eligible to receive long-term incentives.



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The required number of shares for each officer is determined by multiplying his or her current base salary by the multiple noted below and dividing by the current share price. The current multiples are as follows:

|   |                   |
|---|-------------------|
| Chief Executive Officer                                 | 5.0 x Base Salary |
| SVP Operations & Sales                                  | 3.0 x Base Salary |
| Chief Financial Officer/VP Finance                      | 2.5 x Base Salary |
| Chief Information Officer/VP Information and Technology | 2.5 x Base Salary |
| All Other Officers                                      | 2.0 x Base Salary |

While executives are not subject to a specific time period for satisfying the Stock Ownership Guidelines, executives are required to retain as owned stock 50 percent of after tax profits from stock option exercises and stock-based performance unit awards until such time as the Stock Ownership Guideline is met. The Committee reviews the Stock Ownership Guidelines at each meeting and monitors the progress towards, and continued compliance with, the Stock Ownership Guidelines.

**Compensation Recovery Policy**

In 2007, the Board of Directors adopted a formal policy that provides that the Company will, to the extent permitted by governing law, require reimbursement of all or a portion, as applicable, of any performance-based compensation paid to any participant in the Company's long-term incentive plans after January 30, 2007 where (a) the payment was predicated upon the achievement of certain financial results that were subsequently the subject of a material restatement, and (b) a lower payment, or no payment, would have been made to the participant based upon the restated financial results. In each such instance, the Company will, to the extent practicable, seek to recover the amount by which the individual participant's performance-based compensation exceeded the amount that would have been paid based on the restated financial results, plus a reasonable rate of interest.

**Prohibited Transactions**

No employee, including Named Executive Officers, may engage in short sales of Saia common stock or in transactions involving puts, calls, or other derivative securities of the Company or in hedging transactions with respect to the Company. Additionally, all employees, including Named Executive Officers, are prohibited from holding Saia stock in a margin account and from pledging Saia common stock as collateral for indebtedness, except in circumstances where the holder can clearly demonstrate the financial capacity to repay the indebtedness without resort to the pledged stock.

**Tax Policies**

Under Section 162(m) of the Internal Revenue Code, the Company is limited to a \$1 million annual deduction on non-performance-based compensation paid to Named Executive Officers. Based on the legal definition, Saia's long-term incentive instruments (stock options and performance units) are considered performance-based compensation and are therefore deductible by the Company. Since Mr. O'Dell is the only Named Executive Officer whose deductible compensation has the potential to reach the \$1 million limit (and then only in an outstanding performance year), no specific action has been taken to comply with Section 162(m).

Section 409A of the Internal Revenue Code generally changes the tax rules that affect most forms of deferred compensation that were not earned and vested prior to 2005. The Committee takes Section 409A into account in determining the form and timing of compensation paid to executives.



Sections 280G and 409A of the Internal Revenue Code limit Saia's ability to take a tax deduction for certain excess parachute payments (as defined in Code Sections 280G and 4999) and impose excise taxes on each executive that receives excess parachute payments in connection with his or her severance from the Company in connection with a change in control. The Committee considers the adverse tax liabilities imposed by Code Sections 280G and 4999, as well as other competitive factors, when it structures certain post-termination compensation payable to the Named Executive Officers. The potential adverse tax consequences to the Company and/or the executive, however, are not necessarily determinative factors in such decisions.

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**Accounting Policies**

For all stock option grants prior to January 1, 2003, stock-based compensation to employees is accounted for based on the intrinsic value method under Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, and related interpretations, including FASB Interpretation No. 44, Accounting for Certain Transactions Involving Stock Compensation.

In December 2004, the FASB issued SFAS No. 123 (Revised), *Share-Based Payment*. SFAS No. 123-R replaces SFAS No. 123 and supersedes APB Opinion No. 25. Accordingly, the Company records a non-cash expense for the stock compensation plans using the fair value method. Historically, the Company has recorded compensation cost in accordance with APB Opinion No. 25, which did not require the recording of an expense for stock options if they were granted at a price equal to the fair market value of Saia's common stock on the grant date. No changes to the design of the long-term incentive program have been made as a result of fair-value accounting under SFAS No. 123-R.

**REPORT OF THE COMPENSATION COMMITTEE  
OF SAIA, INC.**

The Compensation Committee of the Board of Directors of the Company has submitted the following report for inclusion in this Proxy Statement:

Our Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with management. Based on our Committee's review of and the discussions with management with respect to the Compensation Discussion and Analysis, our Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

The foregoing report is provided by the following directors, who constitute the Committee:

**Compensation Committee Members**

Linda J. French, *Chair*  
William F. Martin, Jr.  
Björn E. Olsson  
Douglas W. Rockel

**Table of Contents****SUMMARY COMPENSATION TABLE**

The following table sets forth the compensation awarded to, earned by or paid to Saia's chief executive officer, chief financial officer and its three other most highly compensated executive officers (the Named Executive Officers) for services rendered in all capacities within Saia during the fiscal years ended December 31, 2008, 2007 and 2006.

**SUMMARY COMPENSATION TABLE**

| Name & Principal Position   | Year | Salary<br>(\$)(1) | Bonus<br>(\$) | Stock<br>Awards<br>(\$) | Option<br>Awards<br>(\$)(2) | Change<br>in<br>Pension<br>Value<br>and<br>Non-<br>Qualified<br>Non-Equity<br>Deferred<br>Incentive<br>Plan Compensation |     | Other<br>Compensation<br>(\$)(6) | Total<br>(\$) |
|---|------|-------------------|---------------|-------------------------|-----------------------------|--|-----|----------------------------------|---------------|
|   |      |                   |               |                         |                             | Earnings<br>(\$)   | (3) |                                  |               |
| Richard D. O Dell,<br>President & Chief Executive<br>Officer (PEO)                              | 2008 | 429,504           |               | 112,664                 | 183,477                     | (5)  |     | 50,223                           | 775,866       |
|   | 2007 | 419,890           |               |                         | 135,748                     | (4)  |     | 44,912                           | 600,550       |
|   | 2006 | 347,508           | 220,598       |                         | 40,605                      | 345,925  | (3) | 44,525                           | 999,166       |
| James A. Darby,<br>Vice President of Finance<br>and Chief Financial Officer<br>(CFO)            | 2008 | 202,968           |               |                         | 34,872                      | (5)  |     | 29,441                           | 267,281       |
|   | 2007 | 198,414           |               |                         | 20,434                      | (4)  |     | 30,065                           | 248,913       |
|   | 2006 | 187,500           | 82,841        |                         | 9,137                       | 73,734   | (3) | 27,947                           | 381,159       |
| Anthony D. Albanese,<br>Vice President of<br>Sales & Operations                                 | 2008 | 270,600           |               | 56,325                  | 59,277                      | (5)  |     | 29,310                           | 415,512       |
|   | 2007 | 264,550           |               |                         | 40,814                      | (4)  |     | 38,204                           | 343,568       |
|   | 2006 | 258,176           | 122,918       |                         | 23,380                      | 185,288  | (3) | 33,917                           | 623,679       |
| Mark H. Robinson,<br>Vice President of Information<br>Technology & Chief<br>Information Officer | 2008 | 196,800           |               |                         | 39,367                      | (5)  |     | 23,126                           | 259,293       |
|   | 2007 | 192,400           |               |                         | 26,349                      | (4)  |     | 23,812                           | 242,566       |
|   | 2006 | 187,917           | 77,418        |                         | 15,555                      | 93,697   | (3) | 26,441                           | 401,028       |
| Willy R. Buchholz,<br>Vice President of Marketing<br>and Customer Service                       | 2008 | 184,512           |               |                         | 25,490                      | (5)  |     | 25,165                           | 235,162       |
|   | 2007 | 180,376           |               |                         | 16,385                      | (4)  |     | 27,011                           | 223,772       |
|   | 2006 | 173,000           | 54,910        |                         | 8,547                       | 68,400   | (3) | 24,928                           | 329,785       |

(1) Includes amounts deferred under the Company's Executive Capital Accumulation Plan as disclosed in the Nonqualified Deferred Compensation Table.

(2) Valuation assumptions for stock options are disclosed in note 9 to the financial statements included in the Company's December 31, 2008 Form 10-K.

(3) Amount earned for the 2004-2006 long-term incentive under the Saia, Inc. Amended and Restated 2003 Omnibus Incentive Plan.

- (4) Amount earned for the 2005 2007 long-term incentive under the Saia, Inc. Amended and Restated 2003 Omnibus Incentive Plan.
- (5) Amount earned for the 2006 2008 long-term incentive under the Saia, Inc. Amended and Restated 2003 Omnibus Incentive Plan.
- (6) See details in the All Other Compensation table below.

**Table of Contents****All Other Compensation**

The following table sets forth the detail of other compensation awarded to, earned by or paid to Saia's Named Executive Officers for services rendered in all capacities within Saia during the fiscal years ended December 31, 2008, 2007 and 2006.

**All Other Compensation**

| Name & Principal Position   | Year | Perquisites<br>&<br>Other | Personal<br>Benefits | Tax<br>Reimbursements | Cash<br>Allowance | Termination<br>Plans (401(k)) | Company   | Company   | Dividends/<br>Earnings | Insurance<br>Premiums | Other(2) |
|---|------|---------------------------|----------------------|-----------------------|-------------------|-------------------------------|---|---|------------------------|-----------------------|----------|
|   |      |                           |                      |                       |                   |                               | Contributions<br>to<br>Payments<br>Accruals<br>on | Contributions<br>to<br>Defined<br>Plans<br>(DefComp.) |                        |                       |          |
| Richard D. O Dell,<br>President & Chief<br>Executive Officer (PEO)                              | 2008 | 779                       |                      |                       | 7,200             | 6,325                         | 32,696  |   | 1,635                  | 1,588                 |          |
|   | 2007 | 1,457                     |                      |                       | 7,200             | 6,188                         | 27,235  |   | 826                    | 2,006                 |          |
|   | 2006 | 1,747                     | 244                  |                       | 7,200             | 6,050                         | 25,762  |   | 780                    | 2,741                 |          |
| James A. Darby,<br>Vice President of Finance &<br>Chief Financial Officer (PFO)                 | 2008 |                           |                      |                       | 7,200             | 5,582                         | 14,380  |   | 2,279                  |                       |          |
|   | 2007 |                           |                      |                       | 7,200             | 6,188                         | 14,660  |   | 1,805                  | 212                   |          |
|   | 2006 |                           |                      |                       | 7,200             | 6,050                         | 12,891  |   | 1,806                  |                       |          |
| Anthony D. Albanese,<br>Sr. Vice President of<br>Sales & Operations                             | 2008 |                           |                      |                       | 7,200             |                               | 19,297  |   | 1,219                  | 1,594                 |          |
|   | 2007 |                           |                      |                       | 7,200             | 6,188                         | 21,091  |   | 983                    | 2,742                 |          |
|   | 2006 |                           |                      |                       | 7,200             | 6,050                         | 18,386  |   | 966                    | 1,315                 |          |
| Mark H. Robinson,<br>Vice President of<br>Information Technology &<br>Chief Information Officer | 2008 |                           |                      |                       | 2,696             | 5,412                         | 13,798  |   | 1,219                  |                       |          |
|   | 2007 |                           |                      |                       | 2,409             | 6,188                         | 14,443  |   | 628                    | 145                   |          |
|   | 2006 |                           |                      |                       | 7,200             | 6,050                         | 12,687  |   | 504                    |                       |          |
| Sally R. Buchholz,<br>Vice President of Marketing<br>& Customer Service                         | 2008 |                           |                      |                       | 5,790             | 5,074                         | 12,053  |   | 966                    | 1,282                 |          |
|   | 2007 |                           |                      |                       | 6,446             | 6,188                         | 12,514  |   | 944                    | 919                   |          |
|   | 2006 |                           |                      |                       | 6,607             | 6,050                         | 11,641  |   | 630                    |                       |          |

(1) Payment of country club dues.

(2) Deemed compensation for spousal travel.

**Table of Contents****Grants of Plan-Based Awards**

The following table sets forth the detail of grants of plan-based awards to Saia's Named Executive Officers for services rendered in all capacities within Saia during the fiscal year ended December 31, 2008. See further details regarding these grants in the description of "Long Term Incentives" on page 17 of the Compensation Discussion and Analysis included above.

**Grants of Plan-Based Awards 2008**

| Name & Principal Position   | Grant Date           | Estimated Future Payouts Under Non-Equity Incentive Plan | Awards Target (1)(\$) | Awards Maximum (1)(\$) | Estimated Future Payouts Under Equity Incentive Plan | Awards Threshold (#) | Awards Maximum (#) | Stock or Underlying Options (#) | All Other Stock Awards: Number of Shares of | All Other Option Awards: Number of Securities | Exercise or Base Price of | Grant Date Fair Value of Stock |
|---|----------------------|--|-----------------------|------------------------|--|----------------------|--------------------|---------------------------------|---|---|---------------------------|--------------------------------|
|   |                      |  |                       |                        |  |                      |                    |                                 |   |   |                           | Option Awards and              |
| Richard D. O'Dell,<br>President & Chief Executive Officer (PEO)                           | 2/1/2008<br>2/1/2008 |  |                       |                        |  |                      |                    | 34,000                          |   | 26,040  | 14.71                     | 167,950<br>500,140             |
| James A. Darby,<br>Vice President of Finance & Chief Financial Officer (PFO)              | 1/1/2008<br>1/1/2008 |  | 171,802               | 343,603                |  |                      |                    |                                 |   | 8,220   | 14.71                     | 53,010                         |
| Anthony D. Albanese,<br>Vice President Sales & Operations                                 | 2/1/2008<br>2/1/2008 |  |                       |                        |  |                      |                    | 17,000                          |   | 12,300  | 14.71                     | 79,330<br>250,070              |
| Mark H. Robinson,<br>Vice President of Information Technology & Chief Information Officer | 1/1/2008<br>1/1/2008 |  | 81,180                | 162,360                |  |                      |                    |                                 |   | 7,970   | 14.71                     | 51,400                         |
| Willy R. Buchholz,<br>Vice President of Marketing & Customer Service                      | 2/1/2008<br>1/1/2008 |  | 36,902                | 73,805                 |  |                      |                    |                                 |   | 5,600   | 14.71                     | 36,110                         |

- (1) Estimated payouts under the 2008-2010 long-term incentive award under the Saia, Inc. Amended and Restated 2003 Omnibus Incentive Plan calculated based on base salaries as of January 1, 2008.

All long-term incentives awarded in 2008 were awarded under the Amended and Restated Saia, Inc. 2003 Omnibus Incentive Plan. The performance period for these awards is 2008-2010. Each participant who received an award is assigned a target incentive, which is a percentage of average annual base salary during the three years of the performance period. The amount of the target incentive that is paid to a participant with respect to the three-year performance period is based on the total shareholder return of Saia compared to the total shareholder return of 29 peer companies. If the total shareholder return of Saia for the three-year period is negative, no payouts are made under the award. Payouts are made in stock at the end of the three-year performance period based on the respective performance period. Because the amount of an executive's payout is based on the Company's total shareholder return compared to that of members of a peer group over a three-year period, the exact amount of the payout (if any) cannot be determined at this time. The target and maximum amounts in the table above were calculated based on the participant's base salary at January 1, 2008 using each participant's appropriate payout percentage for the target payout estimate and two times the target amount for the maximum payout estimate.

The stock option grants to the Named Executive Officers are made by the Committee on the same day as the grants to other stock option recipients.

Stock options granted in 2008 have an exercise price equal to the market closing price of Saia stock on the date of grant and a three-year cliff vesting schedule and a seven-year term. The grant date fair value of the stock options was determined using the Black-Scholes-Merton formula with the following assumptions:

risk free interest rate of 2.75%;

expected life of five years;

expected volatility of 46.49%; and

a dividend rate of zero.

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The restricted stock granted in 2008 vests 25% after three years; 25% after four years and the balance after five years assuming the executive has been in continuous service to the Company since the award date. The value of the restricted stock is based on the fair market value of the Company's common stock at the award date.

**Outstanding Equity Awards**

The following table sets forth information regarding the number of shares of unexercised stock options and the number of shares and value of restricted stock outstanding at December 31, 2008 for the Named Executive Officers.

**Outstanding Equity Awards at December 31, 2008**

| Name & Principal Position   | Option Awards<br>Equity<br>Incentive<br>Plan<br>Awards:                   |   |   |                                       | Option<br>Expiration<br>Date | Stock Awards<br>Equity<br>Incentive<br>Plan<br>Awards:                                    |   |  |   |
|---|---|---|---|---------------------------------------|------------------------------|---|---|--|---|
|   | Number<br>of<br>Securities<br>Underlying<br>Unexercised<br>Options<br>(#) | Number<br>of<br>Securities<br>Underlying<br>Unexercised<br>Options<br>(#) | Number<br>of<br>Securities<br>Underlying<br>Unexercised<br>Options<br>(#) | Unearned<br>Exercise<br>Price<br>(\$) |                              | Number<br>of<br>Shares<br>or<br>Units of<br>Stock<br>that<br>Have<br>Not<br>Vested<br>(#) | Market<br>Value of<br>Shares or<br>Units of<br>Stock<br>that<br>Have<br>Not<br>Vested<br>(\$) | of<br>Unearned<br>Shares,<br>or<br>Units,<br>or<br>Other<br>Rights<br>that<br>Have<br>Not<br>Vested<br>(#) | of<br>Unearned<br>Shares,<br>or<br>Units,<br>or<br>Other<br>Rights<br>that<br>Have<br>Not<br>Vested<br>(\$) |
| Richard D. O Dell,<br>President & Chief Executive<br>Officer (PEO)              | 35,625  | 30,017  | 5,880   | 4.123                                 | 12/15/2009                   |   |   |  |   |
|   |   |   |   | 4.363                                 | 10/25/2010                   |   |   |  |   |
|   |   |   |   | 23.000                                | 02/02/2012                   |   |   |  |   |
|   |   |   | 9,560   | 27.380                                | 01/27/2013                   |   |   |  |   |
|   |   |   | 11,750(1)   | 26.720                                | 02/02/2017                   |   |   |  |   |
|   |   |   | 19,990(2)   | 26.720                                | 02/02/2017                   |   |   |  |   |
|   |   |   | 26,040(3)   | 14.710                                | 02/01/2018                   |   |   |  |   |
|   |   |   |   |                                       |                              | 34,000(4)   | 369,240   |  |   |
| James A. Darby,<br>Vice President of Finance &<br>Chief Financial Officer (PFO) | 6,644   | 18,192  | 1,300   | 4.209                                 | 07/20/2010                   |   |   |  |   |
|   |   |   |   | 4.363                                 | 10/25/2010                   |   |   |  |   |
|   |   |   |   | 23.000                                | 02/02/2012                   |   |   |  |   |
|   |   |   | 2,170   | 27.380                                | 01/27/2013                   |   |   |  |   |
|   |   |   | 3,710(1)  | 26.720                                | 02/02/2017                   |   |   |  |   |



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|   |        |           |        |            |           |         |
|---|--------|-----------|--------|------------|-----------|---------|
|   |        | 8,220(3)  | 14.710 | 02/01/2018 |           |         |
| Anthony D. Albanese,<br>Sr. Vice President of Sales &<br>Operations                             | 3,390  |           | 23.000 | 02/02/2012 |           |         |
|   |        | 5,500     | 27.380 | 01/27/2013 |           |         |
|   |        | 5,560(1)  | 26.720 | 02/02/2017 |           |         |
|   |        | 12,300(3) | 14.710 | 02/01/2018 |           |         |
|   |        |           |        |            | 17,000(4) | 184,620 |
| Mark H. Robinson,<br>Vice President of Information<br>Technology & Chief<br>Information Officer | 10,894 |           | 4.209  | 07/20/2010 |           |         |
|   | 1,280  |           | 23.000 | 02/02/2012 |           |         |
|   | 1,310  |           | 16.880 | 08/24/2012 |           |         |
|   |        | 3,570     | 27.380 | 01/27/2013 |           |         |
|   |        | 3,430(1)  | 26.720 | 02/02/2017 |           |         |
|   |        | 7,970(3)  | 14.710 | 02/01/2018 |           |         |
| Sally R. Buchholz,<br>Vice President of<br>Marketing &<br>Customer Service                      | 4,915  |           | 4.363  | 10/25/2010 |           |         |
|   | 1,220  |           | 23.000 | 02/02/2012 |           |         |
|   |        | 2,030     | 27.380 | 01/27/2013 |           |         |
|   |        | 2,530(1)  | 26.720 | 02/02/2017 |           |         |
|   |        | 5,600(3)  | 14.710 | 02/01/2018 |           |         |

*All unexercisable options were issued under the Saia, Inc. Amended and Restated 2003 Omnibus Incentive Plan.*

- (1) Options vest on 2/2/2010.
- (2) Options vest in three equal tranches on 2/2/2010, 2/2/2011 and 2/2/2012.
- (3) Options vest on 2/1/2011.
- (4) Restricted Stock vests as follows: one quarter on 2/1/2011, one quarter on 2/1/2012 and one half on 2/1/2013.

**Table of Contents****2008 Options Exercised and Stock Vested**

The following table sets forth information regarding the number and value of stock options exercised and stock awards vested during 2008 for the Named Executive Officers.

**Option Exercises and Stock Vested 2008**

| <b>Name &amp; Principal Position</b>  | <b>Option Awards</b>                             |  | <b>Stock Awards</b>                             |                                       |
|---|--|--|---|---------------------------------------|
|   | <b>Number of Shares Acquired on Exercise (#)</b> | <b>Value Realized on Exercise (\$)</b> | <b>Number of Shares Acquired on Vesting (#)</b> | <b>Value Realized on Vesting (\$)</b> |
| Richard D. O Dell,<br>President & Chief Executive Officer (PEO)                           |  |  |   |                                       |
| James A. Darby,<br>Vice President of Finance & Chief Financial Officer (PFO)              |  |  |   |                                       |
| Anthony D. Albanese,<br>Sr. Vice President of Sales & Operations                          |  |  |   |                                       |
| Mark H. Robinson,<br>Vice President of Information Technology & Chief Information Officer |  |  |   |                                       |
| Sally R. Buchholz,<br>Vice President of Marketing & Customer Service                      |  |  |   |                                       |

**Non-Qualified Deferred Compensation**

The following table sets forth information regarding the executive and Company contributions to the Capital Accumulation Plan, as well as investment earnings on the Plan for the Named Executive Officers in 2008. See further details regarding the Capital Accumulation Plan in the description of Benefits and Perquisites on page 20 of the Compensation Discussion and Analysis included above.

**Nonqualified Deferred Compensation 2008**

| <b>Name &amp; Principal Position</b> | <b>Executive Contributions in Last FY(1) (\$)</b> | <b>Company Contributions in Last FY(2) (\$)</b> | <b>Aggregate Earnings in Last FY (\$)</b> | <b>Aggregate Withdrawals/ Distributions (\$)</b> | <b>Aggregate Balance at Last FYE (\$)</b> |
|--------------------------------------|---|---|---|--|---|
|                                      |   |   |   |  |   |

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|   |        |        |          |         |
|---|--------|--------|----------|---------|
| Richard D. O Dell,<br>President & Chief Executive Officer<br>(PEO)                              | 8,590  | 32,696 | (77,113) | 375,349 |
| James A. Darby,<br>Vice President of Finance & Chief<br>Financial Officer (PFO)                 | 10,148 | 14,380 | (84,320) | 295,710 |
| Anthony D. Albanese,<br>Sr. Vice President of Sales &<br>Operations                             | 13,530 | 19,325 | (75,348) | 357,522 |
| Mark H. Robinson,<br>Vice President of Information<br>Technology & Chief Information<br>Officer | 1,968  | 13,798 | (29,286) | 113,710 |
| Sally R. Buchholz,<br>Vice President of Marketing &<br>Customer Service                         | 9,226  | 12,053 | (26,763) | 130,943 |

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- (1) Amounts reported in this column are reported as Salary in the last completed fiscal year in the Summary Compensation Table.
- (2) Amounts reported in this column are reported as Other Compensation in the last completed fiscal year in the Summary Compensation Table.

**PENSION BENEFITS**

Although the Company does have a defined contribution 401(k) plan, it does not have a tax-qualified defined benefit plan or supplemental executive retirement plan. As such, there are no related disclosures to be made.

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

*Change of Control Agreements*

Each of the Named Executive Officers in the Summary Compensation Table is party to an Executive Severance Agreement. Under the Executive Severance Agreements with the executive officers, they will receive certain compensation in the event of a Change of Control of Saia followed within two years by (i) the termination of the executive's employment for any reason other than death, disability, retirement or cause or (ii) the resignation of the executive due to an adverse change in title, authority or duties, a transfer to a new location, a reduction in salary, or a reduction in fringe benefits or annual bonus below a level consistent with Saia's practice prior to the Change of Control. In the event of a qualifying change of control event: (i) the executive officer will receive a lump sum cash payment equal to two times the highest average annual rate of base compensation and bonuses paid or payable in any consecutive 12 month period during the three years prior to termination, except in the case of Mr. O Dell whose lump sum cash payment is three times the highest average annual rate of base compensation and bonuses paid or payable in any consecutive 12 month period during the three years period to termination; (ii) the executive officer will receive a pro rated payout of benefits for the performance unit award based on the actual portion of the performance period elapsed prior to the termination of the executive's employment; (iii) beginning on the date of the executive's termination of employment, the executive (and spouse if applicable) will remain covered under the employee benefit plans in which he participated prior to termination of employment for 24 months (36 months for Mr. O Dell); (iv) all outstanding stock options held by the executive officer at the time of termination will vest and remain exercisable for one year (two years in the case of Mr. O Dell), but not beyond the expiration of the term of the option.

Saia agrees to pay the officer a gross up payment to make the officer whole for any taxes incurred by the officer for any payment, distribution or other benefit (including any acceleration of vesting of any benefit) received or deemed received by the officer under the Executive Severance Agreement or otherwise that triggers the excise tax imposed by Section 4999 of the Internal Revenue Code.

For the purpose of the Executive Severance Agreements, a Change of Control will be deemed to have taken place if: (i) a third person, including a group as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, purchases or otherwise acquires shares of Saia and as a result thereof becomes the beneficial owner of shares of Saia having 20% or more of the total number of votes that may be cast for the election of directors of Saia; or (ii) as the result of, or in connection with any cash tender or exchange offer, merger or other business combination, or contested election, or any combination of the foregoing transactions, the directors then serving on the Board of Directors cease to constitute a majority of the Board of Directors of Saia or any successor to Saia.

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The following table details the amounts that each Named Executive Officer would have received under the Executive Severance Agreements if their employment had terminated (following a change of control ) on December 31, 2008, the last business day of the Company's fiscal 2008, and based on the Company's closing stock price as of December 31, 2008 of \$10.86:

| <b>Name</b>         | <b>Salary &amp;<br/>Bonus<br/>Severance<br/>(\$)</b> | <b>Performance<br/>Unit<br/>Award<br/>Severance<br/>(\$)</b> | <b>Accrued<br/>Vacation<br/>Pay<br/>(\$)</b> | <b>Shares of<br/>Options<br/>Vested on<br/>Termination<br/>(#)</b> | <b>Value of<br/>Options<br/>Vested<br/>on<br/>Termination<br/>(\$)</b> | <b>Continuation<br/>of Health<br/>Benefits<br/>(\$)</b> |
|---------------------|--|--|--|--|--|---|
| Richard D. O Dell   | \$ 1,713,949   | \$   | \$ 11,564                                    | 67,340   | \$   | \$ 28,677   |
| James A. Darby      | \$ 549,141   | \$   | \$ 10,929                                    | 14,100   | \$   | \$ 19,118   |
| Anthony D. Albanese | \$ 770,389   | \$   | \$ 2,602                                     | 23,360   | \$   | \$ 19,118   |
| Mark H. Robinson    | \$ 538,870   | \$   | \$   | 14,970   | \$   | \$ 19,118   |
| Sally R. Buchholz   | \$ 463,508   | \$   | \$ 1,064                                     | 10,160   | \$   | \$ 19,118   |