SAIA INC
Form DEF 14A
March 18, 2016

SCHEDULE 14A INFORMATION

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

Filed by the Registrant þ

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))**

þ **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):

þ **No fee required.**

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2) Aggregate number of securities to which transaction applies:

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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

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NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD APRIL 26, 2016

To Our Stockholders:

We cordially invite you to attend the 2016 annual meeting of stockholders of Saia, Inc. The meeting will take place at the Renaissance Concourse Atlanta Airport Hotel, One Hartsfield Centre Parkway, Atlanta, Georgia 30354 on April 26, 2016 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. Vote to approve the Second Amended and Restated Saia, Inc. 2011 Omnibus Incentive Plan;

3. Vote on an advisory basis to approve the compensation of Saia s Named Executive Officers;

4. Ratify the appointment of KPMG LLP as Saia s independent registered public accounting firm for fiscal year 2016; and

5. Transact any other business that may properly come before the meeting and any postponement or adjournment of the meeting.

Only stockholders of record at the close of business on March 7, 2016 may vote at the meeting or any postponements or adjournments of the meeting.

By order of the Board of Directors,

Frederick J. Holzgrefe, III

Secretary

March 18, 2016

Please complete, date, sign and return the accompanying proxy card or vote by telephone or the internet. 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/saia and follow the steps outlined on the secure website.

If you are a registered stockholder, 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.

PROXY SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider and you should read the entire proxy statement before voting. For more complete information regarding the 2015 performance of Saia, Inc. (the Company), please review the Company s Annual Report on Form 10-K.

2016 Annual Meeting of Stockholders

Date and Time:
April 26, 2016, 10:30 a.m., local time

Place:
Renaissance Concourse Atlanta Airport Hotel

One Hartsfield Centre Parkway

Atlanta, Georgia 30354

Record Date:
March 7, 2016

Voting Matters and Board Recommendations

	Our Board s Recommendation
Election of Three Directors (page 5)	FOR each Director Nominee
Approval of the Second Amended and Restated Saia, Inc. 2011 Omnibus Incentive Plan (page 56)	FOR
Advisory Vote to Approve Executive Compensation (page 65)	FOR
Ratification of Independent Registered Public Accounting Firm (page 66)	FOR

2015 Business Highlights

In 2015, the Company continued to effectively execute its long-term strategic plan and delivered strong operating results in spite of a challenging environment. The following illustrates the three-year directional relationship between Company performance, based on four of the Company s key operating metrics, and the compensation (as defined below) of Saia s President and Chief Executive Officer.

Director Nominees (page 5)

The Board of Directors consists of ten directors divided into three classes. Directors in each class are elected to serve for three-year terms that expire in successive years. The terms of the Class II directors will expire at the upcoming annual meeting. The Board of Directors has nominated the following persons for election as Class II directors for three-year terms expiring at the annual meeting of stockholders to be held in 2019. Each nominee is currently a director of Saia.

Name	Age	Director Since	Primary Occupation	Committee Memberships
John J. Holland*	66	2002	President of Greentree Advisors, LLC	Audit; Compensation
Richard D. O Dell	54	2006	President and CEO, Saia, Inc.	None
Douglas W. Rockel*	59	2002	President, Chief Executive Officer and Chairman of Roots, Inc.	Audit; Nominating and Governance

* Independent Director

Management Proposals (pages 56-67)

1. *Approval of the Second Amended and Restated Saia, Inc. 2011 Omnibus Incentive Plan.* We are asking stockholders to approve the Second Amended and Restated Saia, Inc. 2011 Omnibus Incentive Plan in order to (i) provide for the availability of restricted stock unit awards for issuance; (ii) increase the total shares authorized and reserved for issuance under the First Amended and Restated Saia, Inc. 2011 Omnibus Incentive Plan (the Current Plan) by 1,000,000 to 2,350,000; (iii) increase certain sub-limits for annual and aggregate awards under the Current Plan; and (iv) provide for minimum one-year vesting for stock options and stock appreciation rights, subject to certain exceptions.

2. *Advisory Vote to Approve Executive Compensation.* We are asking stockholders to approve on an advisory basis our Named Executive Officer compensation. The Board recommends a FOR vote because it believes that our compensation policies and practices are effective in attracting, motivating and retaining talented executive officers and aligning the executives long-term interests with those of our stockholders.

3. *Ratification of Appointment of Independent Registered Public Accounting Firm.* As a matter of good governance, we are asking our stockholders to ratify the selection of KPMG LLP as our auditors for 2016.

Corporate Governance (page 11)

Saia has the following corporate governance provisions and policies:

Separate Chief Executive Officer and Chairman of the Board. The Chief Executive Officer is responsible for setting the strategic direction for the Company and the day-to-day leadership and performance of the Company, while the Chairman provides guidance to the Chief Executive Officer, sets the agenda for Board meetings and presides over meetings of the full Board.

The Board has a Lead Independent Director. The Lead Independent Director position ensures the Board has a director in a leadership position that is independent under all applicable rules of the NASDAQ Global Select Market and the Securities and Exchange Commission. The Lead Independent Director is elected annually by the independent directors. For 2015, the Lead Independent Director was Björn E. Olsson.

Majority Voting for Director Elections. Saia s Bylaws require that, in an uncontested election, a nominee to the Board must receive more votes cast for than against his or her election in order to be elected to the Board. If an incumbent director fails to receive a majority of the vote for reelection, the Nominating and Governance Committee recommends to the full Board whether to accept or reject the nominee s previously submitted resignation, and the full Board makes the final determination. We believe the ability of stockholders to vote for or against a director, as opposed to merely withholding a vote for a director, increases accountability to stockholders. The election of directors at the 2016 annual meeting of stockholders is an uncontested election.

Three Standing Committees of the Board of Directors: the Audit Committee, the Compensation Committee and the Nominating and Governance Committee. Saia s Board committees are comprised entirely of independent directors. Saia s committee charters are available free of charge on the Company s website (www.saiacorp.com) under the investor relations section.

Stock Ownership Guidelines. The Company has adopted stock ownership guidelines that apply to all officers who are eligible to receive long-term incentives, including all Named Executive Officers, and to Saia s directors.

Clawback Policy. The Company has a clawback policy for performance-based compensation where the payment was predicated on the achievement of financial results that were subsequently the subject of a material restatement and a lower payment would have been made based on the restated financial results.

Policy Against Hedging and Pledging of Saia Stock. Directors and employees subject to the Company s insider trading policies may not engage in short sales of Saia common stock, in transactions involving puts, calls, or other derivative securities of the Company or in hedging transactions with respect to the Company. Additionally, directors and such employees are prohibited from holding Saia stock in a margin account and from pledging Saia common stock as collateral for indebtedness.

Executive Compensation Highlights (page 21)

2015 Say-on-Pay Results. In 2015, holders of 98.3% of our stock voting on the question approved on an advisory basis the compensation paid to our Named Executive Officers as described in the 2015 proxy statement. The chart below shows the Company s say-on-pay results over the past five years:

Saia Aligns CEO Compensation with Company Performance. As part of the 2015 compensation analysis performed by Mercer, the Compensation Committee reviewed the CEO s three-year realizable pay and the Company s three-year total stockholder return (TSR) compared to peer group levels. The graph below shows three-year CEO realizable pay and three-year TSR percentiles of the Company and other peer group companies. According to Mercer, companies that demonstrate three-year TSR and three-year CEO realizable pay within plus or minus 25 percentile points (as illustrated by the dashed lines on the graph) are considered generally to have aligned CEO compensation with company performance. As shown in the graph below, the Company s three-year CEO realizable pay (100th percentile) and three-year TSR (93rd percentile) are within 7 percentile points and the Compensation Committee believes that the CEO s compensation and the Company s performance are well aligned.

(1) CEO realizable pay reflects actual cash compensation earned for 2012 2014, in-the-money value of stock options, restricted stock and performance shares granted during 2012 2014 as of December 31, 2014 (for performance shares where performance period is complete, analysis reflects the actual number of shares earned; in other cases, the target number of shares was used). 2014 is the most recent year for which sufficient peer group data is available. TSR data was sourced by Mercer and compensation data is based on proxy statement disclosure for the peer group companies.

(2) The shaded boxes represent the Company and other peer group companies. Certain companies within our peer group were excluded from this analysis due to lack of sufficient data.

2015 Summary Compensation Table

Name & Principal Position	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Richard D. O Dell, President & Chief Executive Officer (PEO)	646,482		559,990	646,290	152,011	69,002	2,073,775
Frederick J. Holzgrefe, III, Vice President of Finance & Chief Financial Officer (PFO)	353,792		175,008	201,975	55,422	22,302	808,499
Brian A. Balius, Vice President of Transportation & Engineering	304,125		90,020	103,992	35,627	37,715	571,479
Raymond R. Ramu, Chief Customer Officer	280,425	88,000	209,999	69,328	32,247	25,476	705,475
Mark H. Robinson, Vice President of Information Technology & Chief Information Officer	288,052	100,000	85,504	98,754	33,846	36,671	642,827

See also the narrative and footnotes accompanying the Summary Compensation Table on page 40.

Important Dates for 2017 Annual Meeting of Stockholders (page 70)

Any stockholder who intends to submit a nomination or present a proposal at the annual meeting in 2017 must deliver such nomination or proposal to Saia s corporate Secretary at 11465 Johns Creek Parkway, Suite 400, Johns Creek, Georgia 30097:

Not later than November 18, 2016, if the proposal is submitted for inclusion in our proxy materials for that meeting pursuant to Rule 14a-8 under the Securities Exchange Act of 1934.

On or after December 27, 2016, and on or before January 26, 2017, if the nomination or proposal is submitted pursuant to Saia s By-Laws, in which case we are not required to include the nomination or proposal in our proxy materials.

Saia, Inc.

11465 Johns Creek Parkway, Suite 400

Johns Creek, Georgia 30097

2016 PROXY STATEMENT

The Board of Directors (the Board) of Saia, Inc. (Saia or the Company) is furnishing you this proxy statement in connection with the solicitation of proxies on its behalf for the 2016 annual meeting of stockholders. The meeting will take place at the Renaissance Concourse Atlanta Airport Hotel, One Hartsfield Centre Parkway, Atlanta, Georgia 30354 on April 26, 2016 at 10:30 a.m. local time. At the meeting, stockholders will vote on (a) the election of three directors, (b) the approval of the Second Amended and Restated Saia, Inc. 2011 Omnibus Incentive Plan, (c) an advisory basis to approve the compensation of Saia s Named Executive Officers, (d) the ratification of the appointment of KPMG LLP as Saia s independent registered public accounting firm for fiscal year 2016, and (e) the transaction of 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 Björn E. Olsson, Lead Independent Director, Herbert A. Trucksess, III, Chairman of the Board, and Frederick J. Holzgrefe, III, Saia s Vice President of Finance, Chief Financial Officer and Secretary, 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 Stockholders for the fiscal year ended December 31, 2015, 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 stockholders on or about March 18, 2016.

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 stockholders will be asked to:

1. Elect three directors, each for a term of three years;

2. Vote to approve the Second Amended and Restated Saia, Inc. 2011 Omnibus Incentive Plan;

3. Vote on an advisory basis to approve the compensation of Saia s Named Executive Officers; and

4. Ratify the appointment of KPMG LLP as Saia s independent registered public accounting firm for fiscal year 2016.

Stockholders 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 annual meeting to respond to appropriate questions from stockholders.

Who is entitled to vote?

You may vote if you owned shares of our common stock at the close of business on March 7, 2016, the record date for the annual meeting, provided such shares are held directly in your name as the stockholder of

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record or are held for you as the beneficial owner through a bank, broker or other nominee. Each outstanding share of common stock is entitled to one vote for all matters that properly come before the annual meeting for a vote. At the close of business on the record date, there were 25,186,278 shares of Saia common stock outstanding and entitled to vote.

What is the difference between a stockholder of record and a beneficial owner of shares held in street name?

Stockholders of Record. If your shares are registered directly with our transfer agent, Computershare Trust Company, N.A., you are considered the stockholder of record with respect to those shares, and these proxy materials are being sent directly to you by us. As the stockholder of record, you have the right to grant your voting proxy directly to us through the enclosed proxy card or to vote in person at the annual meeting.

Beneficial Owners. Many of our stockholders hold their shares through a bank, broker or other nominee rather than directly in their own name. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name, and these proxy materials (including a voting instruction card) are being forwarded to you by your bank, broker or nominee who is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your bank, broker or nominee on how to vote your shares. As the beneficial owner of shares, you are also invited to attend the annual meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the annual meeting unless you obtain a legal proxy from your bank, broker or nominee and present it at the 2016 annual meeting. Your bank, broker or nominee has enclosed a voting instruction card for you to use in directing the bank, broker or nominee regarding how to vote your shares.

How do I vote?

Stockholders of Record.

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.* 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 (www.investorvote.com/SAIA) or by telephone (1-800-652-8683) must be received by 11:59 p.m. Eastern time on April 25, 2016.

NOTE: **If you are a registered stockholder, 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.* You may deliver your completed proxy card in person. Additionally, we will pass out written ballots to registered stockholders who wish to vote in person at the meeting.

Beneficial Owners.

If you hold your shares in street name, follow the voting instruction card you receive from your bank, broker or other nominee. If you want to vote in person at the annual meeting, you must obtain a legal proxy from your bank, broker or nominee and present it at the annual meeting.

Can I change my vote?

Stockholders of Record. You may change your vote at any time before the proxy is exercised by voting in person at the annual meeting, giving written notice to Saia s Secretary revoking your proxy, submitting a properly signed proxy bearing a later date or voting again by telephone or on the internet (your latest telephone or internet vote is counted).

Beneficial Owners. If you hold your shares through a bank, broker or other nominee, you may change your vote by submitting new voting instructions following the instructions provided by your bank, broker or nominee.

What if I do not vote for some of the items listed on the proxy card or voting instruction card?

Stockholders of Record. If you indicate a choice with respect to any matter to be acted upon on your proxy card, the shares will be voted in accordance with your instructions. Proxy cards that are signed and returned, but do not contain voting instructions with respect to a proposal, will be voted in accordance with the recommendations of the Board with respect to that proposal.

Beneficial Owners. If you indicate a choice with respect to any matter to be acted upon on your voting instruction card, the shares will be voted in accordance with your instructions. If you do not indicate a choice with respect to a proposal or do not return your voting instruction card, the bank, broker or other nominee will determine if it has the discretionary authority to vote your shares. Regulations prohibit banks, brokers and other nominees from voting shares in elections of directors, approval of the Second Amended and Restated Saia, Inc. 2011 Omnibus Incentive Plan, or as to compensation of Named Executive Officers unless the beneficial owners indicate how the shares are to be voted. Therefore, unless you instruct your bank, broker or nominee on how to vote your shares with respect to the election of directors, approval of the Second Amended and Restated Saia, Inc. 2011 Omnibus Incentive Plan and the compensation of Saia s Named Executive Officers, your bank, broker or nominee will be prohibited from voting on your behalf on any such matter for which your instructions are not provided. **As such, it is critical that you cast your vote if you want it to count for the proposals regarding the aforementioned matters.** Your bank, broker or nominee will, however, continue to have discretionary authority to vote uninstructed shares on the ratification of the appointment of the Company s independent registered public accounting firm.

How many shares must be present to hold the meeting?

A quorum must be present at the annual meeting for any business to be conducted. The presence at the annual meeting, in person or by proxy, of the holders of a majority of the shares of Saia common stock outstanding on the record date will constitute a quorum. Abstentions and broker non-votes (which occur when a bank, broker or other nominee holding shares for a beneficial owner does not have discretionary voting authority with respect to a proposal and has not received instructions with respect to that proposal from the beneficial owner) will be treated as shares present for purposes of determining whether a quorum is present.

What if a quorum is not present at the meeting?

If a quorum is not present at the start of the meeting, the stockholders 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 so long as the adjournment is not for longer than 30 days, no other notice will be given.

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;

FOR the Second Amended and Restated Saia, Inc. 2011 Omnibus Incentive Plan;

FOR the compensation of Saia s Named Executive Officers as presented in Proposal 3; 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 stockholders for a vote at the meeting, the proxy holders will vote your shares in accordance with their best judgment.

Who will count the votes?

Saia s transfer agent, Computershare Trust Company, N.A., will tabulate and certify the votes. Douglas L. Col, the Company s Treasurer and Assistant Secretary, will serve as the inspector of elections.

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. Any director who fails to receive a majority of the vote for re-election 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.

How many votes are required to approve the proposals other than the director nomination proposal?

The approval of the Second Amended and Restated Saia, Inc. 2011 Omnibus Incentive Plan, the advisory approval of the compensation of Saia s Named Executive Officers and the ratification of the appointment of KPMG LLP as Saia s independent registered public accounting firm each require the affirmative vote of a majority of the shares present at the meeting in person or by proxy and entitled to vote.

What effect will abstentions and broker non-votes have on the proposals?

Shares voting ABSTAIN with respect to any nominee for director will be excluded entirely from the vote and will have no effect on the proposal. Shares voting ABSTAIN on the approval of the Second Amended and Restated Saia, Inc. 2011 Omnibus Incentive Plan, the advisory vote on executive compensation and the ratification of the appointment of the Company s independent registered public accounting firm will be treated as shares present for quorum purposes and entitled to vote, so they will have the same practical effect as votes against the proposals. In tabulating the voting results for any particular proposal, shares that constitute broker non-votes are not considered entitled to vote on that proposal. Thus, broker non-votes will not affect the outcome of any matter being voted on at the meeting, assuming that a quorum is obtained.

When will the Company announce the voting results?

We will announce the preliminary voting results at the annual meeting. The Company will report the final results in a Current Report on Form 8-K filed with the Securities and Exchange Commission within four business days following the annual meeting.

PROPOSAL 1

ELECTION OF DIRECTORS

The Board of Directors currently consists of ten 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 II directors will expire at the upcoming annual meeting. The Board of Directors has nominated John J. Holland, Richard D. O Dell and Douglas W. Rockel for election as Class II directors for three-year terms expiring at the annual meeting of stockholders to be held in 2019 and until their successors are elected and qualified. Messrs. Holland, O Dell and Rockel currently serve as Class II 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. Any director who fails to receive a majority of the vote for re-election 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.

The following tables set forth certain information regarding each nominee for director and continuing director of the Company. The information presented includes information provided to the Company by each nominee and continuing director including such person s name, age, principal occupation and business experience for at least the past five years, the names of other publicly-held companies of which such person currently serves as a director or has served as a director during the past five years and the year in which the nominee first became a director of Saia.

The Board of Directors has determined that the following directors are deemed independent pursuant to the NASDAQ Global Select Market s (NASDAQ) definition of independent director: William F. Evans, Linda J. French, John P. Gainor, Jr., John J. Holland, Randolph W. Melville, Björn E. Olsson, Douglas W. Rockel and Jeffrey C. Ward.

In addition to the information presented below regarding the specific experience, qualifications, attributes and skills of each nominee and director that led the Board of Directors to the conclusion that such person should serve as a director, the Board also believes that all of the nominees and continuing directors have a reputation for high personal and professional ethics, integrity, values and character. Each nominee and continuing director brings a strong and unique background and set of skills to the Board of Directors giving the Board as a whole competence and experience in a wide variety of areas, including corporate governance and board service, executive management, law and regulation, the less-than-truckload (LTL) and transportation industry, accounting and finance, and risk assessment. They have demonstrated business acumen and an ability to exercise sound judgment, as well as a commitment of service to the Company and the Board. Each nominee and continuing director is committed to achieving, monitoring and improving on the Company s business strategy.

Current Nominees

NOMINEES FOR ELECTION AS

CLASS II DIRECTORS FOR A THREE-YEAR

TERM EXPIRING AT THE 2019 ANNUAL MEETING

Director, Year First Elected as Director	Age	Principal Occupation, Business Experience and Directorships
John J. Holland, 2002	66	Mr. Holland has served as the President of Greentree Advisors, LLC, a business advisory firm, since October 2004. From February 2012 to November 2015, Mr. Holland also served as President of the International Copper Association, Ltd., an international trade association. From September 2008 to October 2009, Mr. Holland served as President, Chief Operating Officer and Chief Financial Officer of MMFX Technologies Corporation, a privately-held steel manufacturing firm. Previously, Mr. Holland served as Executive Vice President and Chief Financial Officer of Alternative Energy Sources, Inc., a publicly-traded ethanol company, from August 2006 to June 2008. Prior to that, Mr. Holland was the President and Chief Executive Officer and a director of Butler Manufacturing Company (Butler), a publicly-traded manufacturer of prefabricated buildings, from July 1999 to October 2004 and Chairman of the Board of Directors of Butler from November 2001 to October 2004. Mr. Holland has served as a member of the Board of Directors of Cooper Tire and Rubber Company since 2003 and NCI Building Systems, Inc., an integrated manufacturer and marketer of metal products, since 2009. Mr. Holland brings to the Board operational and leadership experience as the Chief Executive Officer and Chief Financial Officer of publicly-traded companies, significant finance and accounting expertise, qualifying as an audit committee financial expert, experience as a director of other public companies and experience in public accounting as a certified public accountant. Mr. Holland also has extensive knowledge of Saia and the LTL industry having served on the Board of Saia since 2002.
Richard D. O Dell, 2006	54	Mr. O Dell has been President and Chief Executive Officer of Saia since December 2006 and has served as President of Saia since July 2006. In 1997, Mr. O Dell joined Saia LTL Freight, the principal operating subsidiary of the Company, as Chief Financial Officer. He continued in that position until his appointment as President and CEO of Saia LTL Freight in 1999.

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Director, Year First Elected as Director	Age	Principal Occupation, Business Experience and Directorships
		As a long-time executive of the Company, Mr. O Dell brings extensive knowledge and understanding of the Company and the LTL industry to the Board. Additionally, he has experience in public accounting as a certified public accountant.
Douglas W. Rockel, 2002	59	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. Mr. Rockel s approximately 15 years of experience as a securities analyst with a particular focus on the transportation industry and his experience with a development and investment company give him significant insight in our industry and in how to build and maintain value for stockholders. Further, Mr. Rockel has extensive finance and accounting expertise and qualifies as an audit committee financial expert. Mr. Rockel also has extensive knowledge of Saia and the LTL industry having served on the Board of Saia since 2002.

Continuing Directors

CLASS I DIRECTORS CONTINUING IN OFFICE

WHOSE TERMS EXPIRE AT THE 2018 ANNUAL MEETING

Director, Year First Elected as Director	Age	Principal Occupation, Business Experience and Directorships
William F. Evans, 2013	68	From May 2002 to June 2007, Mr. Evans was Executive Vice President and Chief Financial Officer of Witness Systems, Inc., a publicly-traded workforce optimization services and software provider. He was a director of ValueVision Media, Inc., a publicly-traded multichannel electronics retailer, from 2011 to 2014. From 1993 to 2011, he served as a director of SFN Group, Inc., a publicly-traded company that provided temporary and permanent staffing solutions to businesses. From 2008 to 2010, he served as a director of Wolverine Tube, Inc., a publicly-traded company in the tubing, fabricated products and metal joining products industry. Mr. Evans brings to the Board professional experience as a Chief Financial Officer of multiple publicly-traded companies, significant finance and accounting expertise as a director of other public companies and experience as a partner in a public accounting firm. Mr. Evans qualifies as an audit committee financial expert.

Director, Year First Elected as Director	Age	Principal Occupation, Business Experience and Directorships
Herbert A. Trucksess, III, 2000	66	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. Prior to leading Saia, Mr. Trucksess was Chief Financial Officer at Saia s former parent, Yellow Corporation, and previously held executive positions with Preston Corporation, a holding company for regional LTL carriers that included the predecessor of Saia. Mr. Trucksess also served as a director of School Specialty, Inc., a publicly-traded provider of educational products and services, from 2007 to 2013. Mr. Trucksess brings to the Board more than 30 years of experience in the LTL industry, extensive knowledge of the Company s operations as the Company s former Chief Executive Officer, extensive finance and accounting expertise, prior experience as the Chief Financial Officer of Yellow Corporation and experience as a director and audit committee chair of another public company.
Jeffrey C. Ward, 2006	57	Mr. Ward is a Vice President of A.T. Kearney, Inc., a global management consulting firm. Mr. Ward joined A.T. Kearney, Inc. in 1991. Mr. Ward s experience at A.T. Kearney is focused on the North American transportation market. Additionally, he has experience in a privately-held LTL company. Mr. Ward brings to the Board significant knowledge in the areas of transportation, corporate and marketing strategy, post-merger integration, restructuring and privatization, network operations, mergers and acquisitions and operations effectiveness.

CLASS III DIRECTORS CONTINUING IN OFFICE

WHOSE TERMS EXPIRE AT THE 2017 ANNUAL MEETING

Director, Year First Elected as Director	Age	Principal Occupation, Business Experience and Directorships
Linda J. French, 2004	68	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 2001. Prior to joining the William Jewell faculty, Ms. French was a partner at the law firm of Husch Blackwell Sanders LLP (now Husch Blackwell LLP) for approximately four years and an executive officer of Payless Cashways, Inc., a publicly-traded hardware retailer, for approximately 12 years.

Director, Year First Elected as Director	Age	Principal Occupation, Business Experience and Directorships
		Ms. French brings a wide variety of experience to the Board as an executive officer and general counsel of a public company, a partner in a major law firm and an assistant professor of business administration. Additionally, Ms. French has particular experience in human resources, governance and ethics matters. Ms. French also has extensive knowledge of Saia and the LTL industry having served on the Board of Saia since 2004.
John P. Gainor, Jr., 2016	59	Since 2008, Mr. Gainor has served as the President and Chief Executive Officer of International Dairy Queen, Inc., a subsidiary of Berkshire Hathaway. Mr. Gainor has been with International Dairy Queen, Inc., since 2003 and served as its Chief Supply Chain Officer prior to being named President and CEO. Mr. Gainor has also held various executive positions focusing on logistics, supply chain and transportation with ProSource Distribution Services and Warner Lambert Corporation. Mr. Gainor brings significant business experience to the Board, and over 30 years of experience in logistics, supply chain and transportation.
Randolph W. Melville, 2015	57	Mr. Melville is currently the Senior Vice President and General Manager for the Western Division of PepsiCo s Frito-Lay North America. He is accountable for all aspects of the company s western division performance, including sales, operations, supply chain, finance, human resources and strategic planning. Mr. Melville also served as an independent director and member of the compensation committee of Interline Brands, Inc. Prior to his 20-plus years at Frito-Lay, Mr. Melville served as a Senior Vice President at Maytag Corporation from 1999-2001 and held various sales and marketing leadership positions with Procter & Gamble Distributing Company from 1981 to 1993. Mr. Melville brings significant national sales, marketing and operations experience to the Board. Mr. Melville also has substantial expertise in the areas of distribution, international business and human resources and adds valuable perspectives complementing those of the current board members.
Björn E. Olsson, 2005	70	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.

Director, Year First Elected as Director	Age	Principal Occupation, Business Experience and Directorships
		Mr. Olsson brings to the Board operational and leadership experience as the Chief Executive Officer of a publicly-traded supplier of equipment to the railroad industry. Additionally, Mr. Olsson s experience as a former director of three public companies and the Chief Financial Officer of a public company in Sweden aids his service to the Board. Mr. Olsson also has extensive knowledge of Saia and the LTL industry having served on the Board of Saia since 2005.

CORPORATE GOVERNANCE

THE BOARD, BOARD MEETINGS AND COMMITTEES

The system of governance practices followed by the Company is memorialized in the Company s Bylaws, 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.

The committee charters and the Corporate Governance Guidelines are reviewed annually and updated as necessary to reflect evolving governance practices and changes in regulatory requirements. The Corporate Governance Guidelines and each of the Board s committee charters are available free of charge on the Company s website (www.saiacorp.com) under the investor relations section.

The Company has adopted a Code of Business Conduct and Ethics applicable to all directors, officers and employees, including its principal executive officer, principal financial officer and principal accounting officer. The Code of Business Conduct and Ethics is filed as Exhibit 14.1 to the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and incorporated by reference into the Company s Annual Report on Form 10-K for the fiscal year ended December 31, 2015, filed with the Securities and Exchange Commission.

Board Leadership Structure

Saia s Board structure provides for a Chief Executive Officer separate from the Chairman of the Board. The Board believes having a separate Chairman and Chief Executive Officer allows each to more fully focus on their applicable responsibilities. Further, maintaining separate roles allows the Chairman to oversee the Chief Executive Officer s performance and remain more impartial when governing the Board. The Chief Executive Officer is responsible for setting the strategic direction for the Company and managing the day-to-day operation and performance of the Company, while the Chairman provides guidance to the Chief Executive Officer, sets the agenda for Board meetings and presides over meetings of the full Board.

The Lead Independent Director is independent under all applicable rules of the NASDAQ Global Select Market and the Securities and Exchange Commission and is elected annually by the independent directors. For 2015, 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 stockholders, the Lead Independent Director will make himself reasonably available for direct communication.

Meetings

The Board of Directors held five meetings in 2015. 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 during 2015.

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 of the independent directors are chaired by the Lead Independent Director.

Board Committees

The Board of Directors has an Audit Committee, a Compensation Committee and a Nominating and Governance Committee, each of which is comprised entirely of independent directors. Current Committee memberships are as follows:

Audit Committee	**Compensation Committee**	**Nominating and Governance Committee**
William F. Evans, Chair	Linda J. French, Chair	Björn E. Olsson, Chair
John J. Holland	John J. Holland	Douglas W. Rockel
Douglas W. Rockel	Randolph W. Melville	Jeffrey C. Ward
	Jeffrey C. Ward	

Mr. Gainor joined the Board of Directors in February 2016 and will be considered for committee position(s) after the 2016 annual meeting.

Audit Committee

The Audit Committee has been established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the Securities Exchange Act of 1934). The Audit Committee held five meetings in 2015. The functions of the Audit Committee are described in the Audit Committee charter and include, among others, 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;
- review the Company s major financial reporting exposures concerning risk assessment and management and the steps management has taken to monitor and control such exposures; 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. Evans, 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 nine meetings in 2015. The functions of the Compensation Committee are described in the Compensation Committee charter and include, among others, the following:

recommend to the Board 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 qualifies as (i) an independent director under applicable NASDAQ rules and Rule 10C-1 of the Securities Exchange Act of 1934; (ii) an outside director for purposes of Section 162(m) of the Internal Revenue Code of 1986 (the Internal Revenue Code), as amended; and (iii) a non-employee director for purposes of Rule 16b-3 of the Securities Exchange Act of 1934.

Nominating and Governance Committee

The Nominating and Governance Committee held two meetings in 2015. The functions of the Nominating and Governance Committee are described in the Nominating and Governance Committee charter and include, among others, 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;

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

- review the Company s major enterprise risk assessment and management processes for matters other than financial reporting risk matters;

- provide oversight of corporate ethics issues and at least annually assess the adequacy of the Company s Code of Business Conduct and Ethics; and

- provide oversight on management succession issues.

Each member of the Nominating and Governance Committee meets the definition of an independent director under applicable NASDAQ rules.

Risk Oversight

The Board of Directors oversees an enterprise-wide approach to risk management, designed to support the achievement of Company objectives, improve long-term Company performance and create stockholder value. A fundamental part of risk management is not only understanding the risks the Company faces and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the Company. The involvement of the full Board of Directors in setting the Company s business strategy and objectives is integral to the Board s assessment of the Company s risk and also a determination of what constitutes an appropriate level of risk for the Company. The full Board of Directors conducts an annual risk assessment of the Company s financial risk, legal/compliance risk and operational/strategic risk. The Board typically reviews at least one risk element in detail at each regular Board meeting and addresses individual risk issues throughout the year as necessary.

While the Board of Directors has the ultimate oversight responsibility for the risk management process, the Board delegates responsibility for certain aspects of risk management to its committees. In particular, the Audit Committee focuses on key business and financial risks and related controls and processes. Per its charter, the Audit Committee discusses with management the Company s major financial reporting exposures concerning risk assessment and management and the steps management has taken to monitor and control such exposures. The Company s Compensation Committee strives to create incentives that encourage a level of risk-taking behavior consistent with the Company s business strategy and objectives and helps ensure that the Company s compensation policies and practices are not reasonably likely to have a material adverse effect on the Company. Finally, the Company s Nominating and Governance Committee is responsible for overseeing the Company s major non-financial reporting enterprise risk assessment and management processes. The Chair of the Nominating and Governance Committee discusses with both the Audit Committee and the Compensation Committee the processes used in the oversight of the non-financial reporting enterprise risk assessment and management processes.

The Board believes its leadership structure enhances overall risk oversight. While the Board requires risk assessments from management, the combination of Board member experience, continuing education and independence of governance processes provide an effective basis for testing, overseeing and supplementing management assessments.

ELECTION OF DIRECTORS

Election to the Company s Board of Directors in a contested election is by a plurality of the votes cast at any meeting of stockholders having a quorum. An election will be considered contested if (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 are not permitted to vote against a nominee.

In an uncontested election, directors are elected by a majority of the votes cast FOR and AGAINST at any meeting of stockholders having a quorum. 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. Any director who fails to receive a majority of the vote for re-election 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 election of directors at the 2016 annual meeting of the Company s stockholders is an uncontested election.

The Board will nominate for election or re-election as director only candidates who agree to tender 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 72; and

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

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 best interests of the Company and its stockholders;
- 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.

In considering whether to recommend any candidate as a director nominee, including candidates recommended by stockholders in accordance with the procedures discussed below, the Nominating and Governance Committee will apply the criteria set forth in the Corporate Governance Guidelines. The Nominating and Governance Committee seeks nominees with a broad range of experience, professions, skills, geographic representation and backgrounds. The Nominating and Governance Committee does not assign specific weights to the criteria and no particular criterion is necessarily applicable to all prospective nominees. The Nominating and Governance Committee believes that the backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. The Nominating and Governance Committee assesses the effectiveness of the Corporate Governance Guidelines, including with respect to director nominations and qualifications and achievement of having directors with a broad range of experience and backgrounds, through completion of the committee s annual self-evaluation process.

Procedures for Recommendations and Nominations by Stockholders

Stockholder Recommendations

The Nominating and Governance Committee has adopted policies concerning the process for the consideration of director candidates recommended by stockholders. The Nominating and Governance Committee will consider director recommendations from stockholders. Any stockholder wishing to recommend 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 recommending stockholder as it appears on the Company s books;
- The number and class of shares owned beneficially and of record by such stockholder, the length of period held and proof of ownership of such shares;
- If the recommending stockholder is not a stockholder of record, a statement from the record holder of the shares (usually a broker or bank) verifying the holdings of the stockholder and a statement from the recommending stockholder of the length of time that the shares have been held (or a current Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 filed with the Securities and Exchange Commission reflecting the holdings of the stockholder, together with a statement of the length of time that the shares have been held); and
- A statement from the stockholder as to whether the recommending stockholder has a good faith intention to continue to hold the reported shares through the date of the Company s next annual meeting of stockholders.

The recommendation must be accompanied by the information concerning the candidate 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, generally providing for the disclosure of:

- The name and address of the candidate, any arrangements or understanding regarding nomination, the candidate s business experience and public company directorships during the past five years and information regarding certain types of legal proceedings within the past ten years involving the candidate and a statement of the particular experience, qualifications, attributes or skills that made the candidate appropriate for service on the Board;

The candidate s ownership of securities in the Company; and

Transactions between the Company and the candidate valued in excess of $120,000 and certain other types of business relationships with the Company.

The recommendation must describe all relationships between the candidate and the recommending stockholder and any agreements or understandings between the recommending stockholder and the candidate regarding the recommendation. The nominating recommendation shall describe all relationships between the candidate and any of the Company s competitors, customers, suppliers or other persons with special interests regarding the Company.

The recommending stockholder must furnish a statement supporting its view that the candidate possesses the minimum qualifications prescribed by the Nominating and Governance Committee for director nominees, and briefly describing the contributions that the nominee would be expected to make to the Board and to the governance of the Company. The recommending stockholder must state whether, in the view of the stockholder, the candidate, if elected, would represent all stockholders and not serve for the purpose of advancing or favoring any particular stockholder or other constituency of the Company.

The nominating recommendation must be accompanied by the consent of the candidate to be interviewed by the Committee, if the Committee chooses to do so in its discretion (and the recommending stockholder must furnish the candidate s contact information for this purpose), and, if nominated and elected, to serve as a director of the Company.

If a recommendation is submitted by a group of two or more stockholders, the information regarding recommending stockholders must be submitted with respect to each stockholder in the group.

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, stockholders and the Company s management). At that time, the Nominating and Governance Committee also will consider potential candidates submitted by stockholders 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 Nominating and Governance Committee seeks to identify and recruit the best available candidates and it intends to evaluate qualified stockholder 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 Nominating and Governance 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 Nominating and Governance 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.

Stockholder Nominations and Proposals

To nominate a director candidate for election or submit a proposal for other business at an annual meeting, a stockholder must deliver timely notice of such nomination or proposal to the principal executive offices of the Company in accordance with, and containing the information required by, the Company s Bylaws. To be timely, the notice must be received at the Company s principal executive offices no later than the close of business on the 90th calendar day or earlier than the 120th calendar day prior to the first anniversary date of the immediately preceding year s annual meeting.

To be in proper form, the stockholder s notice must set forth the following information regarding the stockholder submitting the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made:

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

The number and class of shares owned (directly or indirectly) beneficially and of record by such stockholder and such beneficial owner;

Any Derivative Instrument (as defined in the Company s Bylaws) owned (directly or indirectly) beneficially by such stockholder or beneficial owner and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of the shares of the Company;

Any short interest in any security of the Company;

Any proportionate interest in shares of the Company or Derivative Instruments held (directly or indirectly) by a general or limited partnership in which such stockholder or such beneficial owner is a general partner or directly or indirectly beneficially owns an interest in a general partner;

Any performance-related fees 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 any such interests held by members of the immediately family of such stockholder or beneficial owner);

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 nomination or business; and

A representation whether the stockholder or 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 or approve or adopt the proposal or otherwise to solicit proxies from stockholders in support of such nomination or proposal.

If the stockholder s notice relates to the nomination of a person to serve as a director, then such notice must also set forth the following information:

All information relating to such nominee 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 promulgated thereunder (including such nominee s written consent to being named in the proxy statement and to serving as a director if elected);

A description of all direct and indirect compensation and other material monetary arrangements and understandings during the past three years, and any other material relationships, between the nominating stockholder and beneficial owner, if any (and any of their respective affiliates and associates) and each proposed nominee, including any information that would be required to be disclosed under Rule 404 of Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, were the registrant for purposes of such rule and the nominee were the director of such registrant;

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

A completed and signed questionnaire with respect to the background and qualifications of the nominee and the background of any other person or entity on whose behalf the nomination is being made and a completed and signed representation and agreement that (a) such nominee is not and will not become a party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such nominee, if elected as a director, will act or vote on any issue or question that has not been disclosed to the Company or that could limit or interfere with the nominee s ability to comply with the nominee s fiduciary duties as a director, (b) such nominee is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Company with respect to any action or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed, and (c) in such nominee s individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, the nominee would be in compliance, if elected as a director, and will comply, with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and trading policies and guidelines of the Company.

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 or that could be material to a reasonable stockholder s understanding of the independence of such nominee.

If the stockholder s notice relates to any business other than the nomination of a director, the notice must contain a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and the language of any amendments to the Bylaws), the reasons for conducting such business at the meeting and any material interest of such stockholder and the beneficial owner, if any, in such business, and a description of all agreements, arrangements and understandings between such stockholder and beneficial owner, if any, and any other person or persons (including their names) in connection with the proposal of such business by such stockholder or beneficial owner.

The summary above is qualified entirely by reference to the applicable provisions of the Company s Bylaws, which have been filed with the Securities and Exchange Commission and copies of which are available from the Company upon request. No stockholder nominations have been made in connection with the 2016 annual meeting of stockholders.

STOCKHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS

The Board of Directors has adopted procedures for stockholders to send communications to the Board or individual directors of the Company as follows:

Stockholders 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 stockholder communications, including those addressed to individual directors, unless such communications address allegations of misconduct or mismanagement on the part of the Chairman or Lead Independent Director. In such event, the Secretary of the Company will first consult with and receive the approval of the Lead Independent Director or Chairman, as applicable, before disclosing or otherwise discussing the communication with the director subject to the allegation.

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 stockholder communications to the Board of Directors.

The Secretary of the Company will determine the appropriate timing for forwarding stockholder 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.

Stockholders also have an opportunity to communicate with the Board of Directors at the Company s annual meeting of stockholders. The Company s Corporate Governance Guidelines provide that absent unusual circumstances, directors are expected to attend all annual meetings of stockholders. Each of the directors then-serving on the Board attended the Company s 2015 annual meeting of stockholders.

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 40 and all directors and executive officers as a group, as of January 15, 2016. Unless otherwise indicated, beneficial ownership is direct and the person indicated has sole voting and investment power.

	Common Stock Beneficially Owned				
Name of Beneficial Owner(6)	**Shares Beneficially Owned(1)**	**Rights to Acquire Beneficial Ownership(2)**	**Total**	**Percent of Class(3)**	**Shares Held Under Deferral Plans(4)**
William F. Evans	669		669	*	6,197
Linda J. French	5,894		5,894	*	36,864
John J. Holland	5,146		5,146	*	51,544
Randolph W. Melville(5)				*	2,850
Richard D. O Dell	70	11,363	11,433	*	55,472
Björn E. Olsson	3,000		3,000	*	41,903
Douglas W. Rockel	5,206		5,206	*	45,075
Herbert A. Trucksess, III	203,221		203,221	*	2,199
Jeffrey C. Ward	6,000		6,000	*	43,051
Frederick J. Holzgrefe, III				*	141
Brian A. Balius	21,650	13,474	35,124	*	11,267
Stephanie R. Maschmeier	15,257	7,125	22,382	*	7,722
Raymond R. Ramu	9,285	7,845	17,130	*	8,488
Mark H. Robinson	7,572	3,409	10,981	*	16,183
All directors and executive officers as a group (14 persons)	282,967	43,216	326,183	1.3%	328,956

* Denotes less than 1%

(1) Includes common stock owned directly and indirectly.

(2) Number of shares that can be acquired on January 15, 2016 or within 60 days thereafter through the exercise of stock options or vesting of restricted stock. These shares are excluded from the Shares Beneficially Owned column.

(3) Based on the number of shares outstanding on January 15, 2016 (25,141,799) 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 2.79%.

(4) Represents shares of common stock from phantom stock units on an as converted basis as of January 15, 2016, 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 and 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.

(5) Mr. Melville joined the Board of Directors in September 2015.

(6) Mr. Gainor joined the Board of Directors in February 2016 and is not shown on this table.

COMPENSATION DISCUSSION AND ANALYSIS

The Named Executive Officers who appear in the compensation tables of this Proxy Statement are:

- Richard D. O Dell, President & Chief Executive Officer
- Frederick J. Holzgrefe, III, Vice President of Finance & Chief Financial Officer
- Brian A. Balius, Vice President of Transportation & Engineering
- Mark H. Robinson, Vice President of Information Technology & Chief Information Officer
- Raymond R. Ramu, Chief Customer Officer

Executive Summary

The following provides an overview of Saia, Inc. s compensation philosophy and programs, including the focus on pay for performance, best pay practices and alignment of the interests of Saia s executives with those of Saia s stockholders. Details about the compensation awarded to Saia s Named Executive Officers can be found in the Summary Compensation Table and related compensation tables.

- Saia focuses pay on performance to incent executives to achieve corporate objectives.

The Company designs executive compensation programs to link pay with performance and to attract, motivate, reward and facilitate the retention of executive talent required to achieve corporate objectives. Elements of the compensation programs are generally targeted to provide compensation opportunity at the 50th percentile of the peer group. The following elements comprise the total compensation awarded to Saia s Named Executive Officers: base salary, cash-based annual incentive awards, equity-based long-term incentive awards, customary benefits and perquisites and severance benefits.

- Saia aligns executives interests with those of the stockholders.

Other than base salary, which is targeted at the 50th percentile of the peer group, all significant elements of executive compensation are based on stock price performance, earnings per share or the operating ratio (operating expenses divided by operating revenues), which the Compensation Committee (the Committee) believes has a direct impact on the Company s stock price. For 2013-2015 the Company s annual incentive plan was based on achieving earnings per share and operating ratio targets. For 2016, the annual incentive plan will provide incentives based on achieving operating income and operating ratio targets. The long-term incentive plan utilizes a combination of common stock grants based on the Company s total stockholder return over a three year period and stock options with an exercise price set at the closing price of Saia s stock on the grant date. Payouts of stock grants are made only if the Company had positive total stockholder return over the three year period. Saia s stock option plan strictly prohibits re-pricing of stock options.

- Saia s solid financial performance.

The following tables highlight Saia s financial performance for fiscal years 2013-2015:

(1) Operating ratio is the calculation of operating expenses divided by operating revenue.

(2) $100 invested on December 31, 2012 in the Company stock, including reinvestment of dividends.

2015 Say-on-Pay results affirmed the current compensation policies.
In accordance with the recommendations of its stockholders in 2011, Saia holds a stockholder advisory say-on-pay vote on an annual basis. In 2015, holders of 98.3% of Saia s stock voting approved, on an advisory basis, the compensation paid to Saia s Named Executive Officers as described in the 2015 proxy statement. The Committee monitors the results of the annual advisory say-on-pay proposal. Based on these favorable results, the Committee reaffirmed the Company s executive compensation philosophy and programs.

Saia s Compensation Committee members are independent.
None of the members of the Committee have relationships with the Company or its management other than as directors of the Company. All the Committee members are experienced in making executive compensation decisions. The Committee also obtains advice in setting executive compensation from Mercer US, Inc., an independent expert in executive compensation plans and programs.

Key Features of Saia s Executive Compensation

What Saia Does	**What Saia Doesn t Do**
ü Links pay and performance by having annual incentive compensation and 50% of long-term compensation subject to achievement of performance objectives	× No single-trigger change-of-control cash payments
ü Requires stock ownership by using stock ownership guidelines for all officers at two to five times their base salary	× No re-pricing of stock options
ü Maintains a clawback policy for performance-based compensation	× No hedging transactions, pledges or margin accounts with respect to Company stock
ü Benchmarks against a representative and relevant peer group to assist in setting compensation	× No excessive perquisites
ü Uses an independent compensation consultant	× No cash payments upon death or disability
ü Uses a compensation program that doesn t encourage excessive risk taking	

Executive Compensation Philosophy and Oversight

Saia s executive compensation philosophy is determined by the Compensation Committee. The Committee believes 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 and to create value for the Company s stockholders. 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:

Component	Key Characteristics	Objective
Base Salary Cash	Fixed compensation component. Reviewed annually and adjusted if and when appropriate based upon peer data.	Provide a fixed form of executive compensation for performing daily responsibilities.
Annual Incentives Cash	Variable compensation component. Performance-based award opportunity, payable upon attaining specific targets.	Motivate and reward executives for achieving specific annual corporate performance objectives.
Long-Term Incentives Stock and Stock Options	Variable compensation component. Performance-based award opportunity, generally granted annually as a combination of performance shares and stock options. Amounts actually earned will vary based on stock price appreciation and corporate performance.	Motivate and reward executives for achieving over a three- to seven-year period stockholder value creation and superior performance in the industry and for executive retention.
Other Benefits and Perquisites Various Forms	Fixed compensation component.	Provide employee benefits consistent with those provided by the peer group and for executive retention.
Post-Employment Compensation Cash and Benefits	Fixed compensation component.	Promote recruitment and retention and support non-competition, non-disclosure and non-solicitation agreements.

Pay equity

To create stockholder value and motivate its employees, the Company is committed to internal and external pay equity. With respect to internal equity, the Compensation Committee monitors, on an annual basis, the relationship between the compensation of the Chief Executive Officer to that of other Named Executive Officers and salaried employees generally.

The Company does not have a policy regarding the target ratio of total compensation of the Chief Executive Officer to that of the other Named Executive Officers or salaried personnel, but the Committee does review compensation levels to ensure that appropriate equity exists. During the past three years, the Chief Executive Officer s total direct compensation (salary and short- and long-term incentive awards) has been approximately 2.5 times the direct compensation of the next highest paid Named Executive Officer, which the Committee believes is an appropriate multiple.

To test external pay equity, the Committee annually reviews compensation data for similar positions at peer group companies, described below, in the transportation industry with revenues comparable to Saia s.

Compensation Review Peer Group

To assist the Compensation Committee in determining the appropriate design, levels and components of compensation for the Company s executive officers, the Committee annually reviews compensation data for similar positions at comparable, like-sized companies in the transportation industry. The peer group companies are selected with input from Mercer and are comprised of U.S. publicly-traded transportation companies with annual revenues of approximately one-half to two times Saia s revenues. The Committee focuses on revenue because of the correlation between pay levels and company size as measured by revenue. The peer group was used to review base salary, annual incentives and long-term incentives. The Committee has selected the market 50th percentile or market median (using the peer group) as the targeted positioning for compensation of the Company s executives.

The peer group used in the review for 2015 and 2016 was:

Company	Industry	2014 Revenues (In millions)
Air Transport Services Group, Inc.	Air Freight & Logistics	$ 590
ArcBest Corporation	Trucking	$2,613
Celadon Group, Inc.	Trucking	$ 759
Covenant Transportation Group, Inc.	Trucking	$ 719
Echo Global Logistics, Inc.	Air Freight & Logistics	$1,173
Forward Air Corporation	Air Freight & Logistics	$ 781
Genesee & Wyoming, Inc.	Railroad	$1,639
Heartland Express, Inc.	Trucking	$ 871
Hub Group, Inc.	Railroad	$3,571
Kansas City Southern	Railroad	$2,577
Knight Transportation, Inc.	Trucking	$1,102
Landstar System, Inc.	Trucking	$3,185
Marten Transport, Ltd.	Trucking	$ 673
Old Dominion Freight Line, Inc.	Trucking	$2,788
Quality Distribution, Inc.	Trucking	$ 992
Roadrunner Transportation Systems, Inc.	Trucking	$1,873
Universal Truckload Services, Inc.	Trucking	$1,191
USA Truck, Inc.	Trucking	$ 602
Werner Enterprises, Inc.	Trucking	$2,139
Saia, Inc.	**Trucking**	**$1,272**

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

2014, 2015 and 2016 Executive Compensation Decisions

Based on the Committee s annual executive compensation reviews conducted in 2014 and 2015, the Committee has concluded that the amounts payable to each Named Executive Officer under each individual compensation component, as well as each Named Executive Officer s total compensation in the aggregate, were reasonable given then-current Company financial performance. 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 Saia stockholders. Decisions with respect to each component of executive compensation are described below.

Pay Mix

The following graph sets forth the key components of compensation and pay mix for the Named Executive Officers based on target payout levels for 2015:

(1) Refer to the Restricted Stock section below for further details surrounding Mr. Ramu s 2015 compensation.

(2) Refer to the 2014, 2015, and 2016 Executive Compensation Decisions Annual Incentive Plan Yield Incentive section for further details surrounding Messrs. Ramu and Robinson s 2015 annual incentive compensation.

Base Salary

For each Named Executive Officer, the Committee considered the factors identified 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 and external pay equity, and the importance of executive retention. In July 2014 and 2015, the Company implemented approximately 3% and 4% salary and wage increases, respectively, for all of its employees, including the Named Executive Officers. Further, the Committee has made adjustments to the base salaries of the Named Executive Officers as part of a continuing, multi-year process to better align their base salaries with the market median, provide for executive retention and recognize individual performance. As part of this multi-year process, the Committee implemented salary increases in January 2015 ranging from 7.7% to 9.6% and in January 2016 ranging from 0% to 10.0% for the Named Executive Officers.

Named Executive Officer	**Title**	**Annual Salary 2014**	**Annual Salary 2015**	**Annual Salary 2016**
Richard D. O Dell	President & Chief Executive Officer	$ 569,590	$ 646,482	$ 700,000
Frederick J. Holzgrefe, III	Vice President of Finance & Chief Financial Officer	$ 325,000	$ 353,792	$ 384,000
Brian A. Balius	Vice President of Transportation & Engineering	$ 257,500	$ 304,125	$ 309,000
Raymond R. Ramu	Chief Customer Officer	$ 208,405	$ 280,425	$ 340,000
Mark H. Robinson	Vice President of Information Technology & Chief Information Officer	$ 257,500	$ 288,052	$ 293,550

Annual Incentives

The annual incentive plan provides all officers and other salaried employees the opportunity to receive cash payments based on Company performance for the year. The plan includes a threshold, target and maximum payout level for each executive and an associated performance goal to achieve the payout levels. Threshold for the annual incentive plan is set at 25% of target and maximum is set at 200% of target.

For 2015 and 2016, the potential payout levels under the annual incentive plan for the Named Executive Officers are as follows:

Potential Payouts of Annual Incentives for 2015 and 2016

		Payout as a % of Base Salary		
Named Executive Officer	**Title**	**Threshold**	**Target**	**Maximum**
Richard D. O Dell	President & Chief Executive Officer	22.5%	90%	180%
Frederick J. Holzgrefe, III	Vice President of Finance & Chief Financial Officer	15%	60%	120%
Brian A. Balius	Vice President of Transportation & Engineering	11.25%	45%	90%
Raymond R. Ramu	Chief Customer Officer	11.25%	45%	90%
Mark H. Robinson	Vice President of Information Technology & Chief Information Officer	11.25%	45%	90%

For 2015, the annual incentive plan for the Named Executive Officers was structured to provide cash incentives based 50% on the achievement of an annual corporate earnings per share target and 50% on achievement of an annual operating ratio target. Commencing in 2016, the annual incentive plan has changed to provide incentives based 50% on achieving the Company s operating income target and 50% on achieving the Company s operating ratio target. The Committee began using operating income as a target to eliminate the effect of tax costs in calculations and to conform to common peer group practice.

The Committee believes using operating income aligns the interests of the executives with those of Saia s stockholders. Saia uses operating ratio as a performance goal for its annual cash incentive plan because it is an objective measure of profitability of Saia s business and is a common measure of profitability within the industry. Operating ratio for a given fiscal period is defined as operating expenses divided by operating revenue.

The Committee believes using operating ratio as a performance measure is particularly relevant to Saia s business because it focuses executives on improving profitability, which drives cash flow for capital allocation, including capital expenditures, and debt reductions. Creating stockholder value through disciplined capital allocation is a strategic priority of the Company.

Performance Targets and Actual Performance for 2015

	Threshold	**Target**	**Maximum**	**Actual**
Earnings per share (50% weighting)	$ 2.13	$ 2.63	$ 3.59	$ 2.12(2)
Operating ratio (50% weighting)(1)	93.3%	91.4%	88.8%	92.6%

(1) Operating ratio is the calculation of operating expenses divided by operating revenue.

(2) The impact of the alternative fuel tax credits were excluded from earnings per share for purposes of the annual incentive plan.

The operating ratio and earnings per share performance goals for 2015 were set considering past performance, the strategic plan, current economic conditions and other forecasts of future results. The

Compensation Committee considered these factors along with discussions with management to set the target levels which were then approved by the Board of Directors. Threshold and maximum earnings per share goals were set considering the incremental performance between the minimum and target, and target and maximum goals. Since the Company did not achieve the earnings per share threshold in 2015, no annual incentive was paid based on this parameter for 2015.

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 maximum goals should be attained a minority of the time. These levels of expected performance are taken into consideration based on 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.

Cash Bonus Plan

On April 27, 2015, the stockholders approved the material terms of a new Annual Cash Bonus Plan (the Bonus Plan) to govern annual cash incentive awards to salaried employees starting in 2016. The awards under the Bonus Plan are designed to be tax-deductible under Section 162(m) of the Internal Revenue Code of 1986, as amended. It is the intention of the Committee to grant annual cash incentive payments to the Named Executive Officers under the Bonus Plan consistent with the description of the annual incentive plan described above. Please see Tax Policies below on page 38 for a discussion of the Committee s approach to Section 162(m) deductibility.

Yield Incentive

Through the second quarter of 2015, the Committee offered certain employees having responsibility for customer pricing a one-time cash incentive designed to improve yield. The select employees eligible to receive the yield incentive included Mr. Robinson and Mr. Ramu, but not other Named Executive Officers. The yield incentive aimed to incentivize employees to cause the Company to have a marked improvement in yield without an excessive loss of tonnage. In 2015, the Committee determined the Company had attained the performance improvement and paid the select employees the cash bonus, which included a payment of $100,000 to Mr. Robinson and $88,000 to Mr. Ramu.

Long-Term Incentives

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 stockholder value creation and to encourage executive retention. All Company officers are eligible to participate in the long-term incentive program. For 2014, 2015 and 2016, 50% of a Named Executive Officer s long-term incentive opportunity was granted in performance stock 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 reflects competitive practices, as further described in the table below.

Why options?	Why performance stock units?
Performance-based because their value is solely tied to the Company s stock price, which directly correlates to Saia s stockholders interests. Fosters an innovative environment focused on long-term growth of the Company and stockholder value. Declines in stock price following the grant of stock options have a negative impact on executive pay (i.e., when a stock option is underwater it has no value). Highly valued by employees and an important retention tool. Stock ownership guidelines mitigate perception that options may cause a focus on short-term stock price movement.	Performance-based both because number of shares earned depends on performance against pre-defined goals and the value of the shares fluctuates based on the stock price. Tied to total stockholder return compared to a peer group, a key financial metric. Aligns all equity-eligible employees to perform for improvement in total stockholder return.

See Proposal 2 for the Second Amended and Restated Saia, Inc. 2011 Omnibus Incentive Plan that is subject to stockholder approval at the annual meeting. This amendment, if approved, will (i) provide for the availability of restricted stock unit awards for issuance; (ii) increase the total shares authorized and reserved for issuance under the First Amended and Restated Saia, Inc. 2011 Omnibus Incentive Plan (the Current Plan) by 1,000,000 to 2,350,000; (iii) increase certain sub-limits for annual and aggregate awards under the Current Plan; and (iv) provide for minimum one-year vesting for stock options and stock appreciation rights, subject to certain exceptions.

In February 2016, the Company granted long-term incentive awards in the form of 209,310 stock options and 72,365 performance stock awards to its officers.

For 2015 and 2016, the target long-term incentive as a percentage of base salary for the Named Executive Officers was as follows:

Long-term Incentive Plan Targets

Named Executive Officer	Title	Target as a % of Base Salary 2015	2016
Richard D. O Dell	President & Chief Executive Officer	175%	200%
Frederick J. Holzgrefe, III	Vice President of Finance & Chief Financial Officer	100%	115%
Brian A. Balius	Vice President of Transportation & Engineering	60%	75%
Raymond R. Ramu	Chief Customer Officer	60%	75%
Mark H. Robinson	Vice President of Information Technology & Chief Information Officer	60%	75%

To determine the total value of the long-term incentives granted to each Named Executive Officer each year, the Committee uses market data prepared by Mercer. Mercer analyzed the types and 50th percentile targets of long-term incentives granted to comparable officers at the peer group companies listed in the Peer Group section above. The Committee then used the Mercer analysis and pay mix, position, and internal equity factors to determine the appropriate target percentages of base compensation. The specific grants for each officer were based on the Company stock price on grant date for performance stock units and on the Black-Scholes option pricing model for stock option grants.

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 stockholder value. The value of each stock option award is equal to 50% of the target long-term incentive award for the executive using the Black-Scholes option pricing model. Stock option grants have historically been awarded in the first quarter of the fiscal year. The Company typically grants 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 Company s equity plans strictly prohibit re-pricing of stock options. All stock options granted to date have been non-qualified stock options.

All stock options granted to date vest on the basis of passage of time, subject to earlier vesting upon a change in control and, as to Mr. O Dell, subject to his employment agreement 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. Providing for a vesting period over a number of years also helps ensure against executives taking excessive or unnecessary risks that might threaten the long-term value of the Company.

In February 2015, the Company granted a total of 77,800 stock options to the Named Executive Officers, representing 60% of the total stock options granted at that time. Stock options granted in February 2015 have an exercise price equal to the closing share 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 option pricing model with the following assumptions:

- risk free interest rate of 1.54%;
- expected life of five years;
- expected volatility of 40.8%; and
- a dividend rate of zero.

In February 2016, the Company granted a total of 134,250 stock options to the Named Executive Officers, representing 64% of the total stock options granted at that time. Stock options granted in February 2016 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 stock options granted in February 2016 (other than options granted to Mr. O Dell) include non-competition and employee and customer non-solicitation provisions, as well as provisions designed to protect Saia s intellectual property. As described below, Mr. O Dell s employment agreement already includes non-competition and employee and customer non-solicitation provisions.

See the Potential Payments Upon Termination or Change in Control section for a description of the effect of termination of employment or a change in control of the Company on the stock options awarded to the Named Executive Officers.

Performance Stock Units

The remaining 50% of the Named Executive Officers long-term incentive opportunity is awarded in performance stock units. The role of performance stock 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 stockholder returns, the peer group used for performance stock unit comparison (PSU Peer Group) is broader than the peer group used for determining base salaries and other long-term incentives. The PSU Peer Group includes public companies in the broader transportation industry, regardless of revenues, because this provides a wider spectrum from which to determine rewards tied to the creation of longer-term stockholder value. The companies included in the PSU Peer Group for open performance periods are as follows:

Air Transport Services Group, Inc.
Arkansas Best Corporation
Celadon Group, Inc.
CH Robinson Worldwide, Inc.
Con-Way, Inc. (through October 29, 2015)
Covenant Transport, Inc.
Echo Global Logistics, Inc.(1)
FedEx Corporation
Forward Air Corporation
Genesee & Wyoming, Inc.
Heartland Express, Inc.
Patriot Transportation Holding, Inc.
(through December 31, 2015)
Quality Distribution, Inc. (through December 31, 2015)
Roadrunner Transportation Services, Inc.(1)
Ryder System, Inc.
Swift Transportation Company(1)
United Parcel Service, Inc.

Horizon Lines, Inc. (through December 31, 2015)
Hub Group, Inc.
J.B. Hunt Transport Services, Inc.
Kansas City Southern
Kirby Corporation
Knight Transportation, Inc.
Landstar Systems, Inc.
Marten Transport, Ltd.
Old Dominion Freight Line, Inc.
Pacer International, Inc. (through March 31, 2014)
P.A.M. Transportation Services, Inc.
USA Truck Inc.
UTi Worldwide, Inc.
Vitran Corporation (through March 26, 2014)
Werner Enterprises, Inc.

XPO Logistics, Inc.(1)

YRC Worldwide, Inc.

Universal Truckload Services, Inc.

(1) Added effective January 1, 2016.

Performance stock units are paid in shares of the Company s common stock. The number of shares of stock that are paid to a participant is based on the total stockholder return of Saia compared to the total stockholder return of the PSU Peer Group over the three year performance period. Total stockholder return is calculated by taking the average closing common stock prices for the 60 days prior to the beginning of the performance period and comparing it to the average closing common stock prices for the 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 stockholder return is calculated relative to the total stockholder 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 beginning in 2014, 2015 and 2016, the payouts will be determined as follows:

Percent Rank of Saia s Total Stockholder Return Compared to PSU Peer Group	**Payout Percentage of Target Incentive**
At 75th percentile or higher	200%
At 50th percentile	100%
At 25th percentile	25%
Below 25th percentile	0%

Because the amount of an executive s payout is based on the Company s total stockholder return compared to that of members of a PSU Peer Group over a three-year period, the exact amount of the payout (if any) cannot be determined at this time. The Committee generally makes the performance stock unit grants each year in February at the time of grants of stock options. The payout associated with the Company s percentile rank is based on the chart above with payouts interpolated for performance between the 25th and 50th percentiles and the 50th and 75th percentiles. If the Company s total stockholder return for the performance period is negative, no payouts are made regardless of the Company s percentile rank. The Committee believes that setting the payout percentage based on the Company s total stockholder return over the three-year measurement period compared to that of the PSU Peer Group aligns the incentive value with the interest of stockholders. Aligning the incentive value with the interests of Saia stockholders further helps to ensure against executives taking excessive or unnecessary risks that might threaten the long-term value of the Company.

Payouts for the performance stock units are made in shares of common stock in order to reduce earnings volatility associated with cash based awards. The number of shares paid is based on the number of shares of target stock awarded to an executive and the Company s total stockholder return relative to the peers as described above.

The following table details the payouts for the performance stock units over the last three years:

Payout Month	**Performance Period**	**Payout Percentage of Target Incentive**
February 2016	2013 to 2016	150%
February 2015	2012 to 2014	200%
February 2014	2011 to 2014	200%

Performance stock unit awards are not scheduled to be paid out, if at all, until the first quarter of 2017 for the performance period beginning in 2014, the first quarter of 2018 for the performance period beginning in 2015 and the first quarter of 2019 for the performance period beginning in 2016.

In February 2016, the Company granted performance stock units for 46,421 shares (at target) to the Named Executive Officers, representing 64% of the total target units granted at that time.

See the Potential Payments Upon Termination or Change in Control section for a description of the effect of termination of employment or a change in control of the Company on the performance stock units awarded to the Named Executive Officers.

Restricted Stock

The Company has utilized restricted stock grants from time to time to address concerns about long-term executive retention. These restricted stock grants all vest over a five year period in order to promote retention.

On February 9, 2016, Mr. Holzgrefe received 18,215 shares of restricted stock of the Company (initially valued at $500,000 using the closing price of Saia common stock on NASDAQ on February 9, 2016) in recognition of his strong performance as Chief Financial Officer since joining the Company and to promote executive retention. The shares of restricted stock vest 25% each on February 9, 2019, and February 9, 2020, with the remaining 50% vesting on February 9, 2021. In connection with joining the Company as Vice President of Finance and Chief Financial Officer on September 10, 2014, Mr. Holzgrefe received 7,936 shares of restricted stock of the Company (initially valued at $400,000 using the closing stock price on the grant date). The shares of restricted stock granted in 2014 vest 25% on each September 10, 2017 and September 10, 2018 with the remaining 50% vesting on September 10, 2019. The restricted stock award immediately vests upon a change in control.

In connection with promotion to Chief Customer Officer on May 1, 2015, Mr. Ramu received 3,651 shares of restricted stock of the Company (initially valued at $150,000 using the closing stock price on the grant date). The shares of restricted stock vest 25% on each May 1, 2018 and May 1, 2019 with the remaining 50% vesting on May 1, 2020. The restricted stock award immediately vests upon a change in control.

See the Potential Payments Upon Termination or Change in Control section for a description of the effect of termination of employment or a change in control of the Company on the restricted stock granted to the Named Executive Officers.

Other Benefits and Perquisites

Benefits

The Company provides customary employee benefits to substantially all employees, including the Named Executive Officers. These benefits include paid holidays and vacation, medical, disability and life insurance and a defined contribution retirement plan. The defined contribution retirement plan is a 401(k) savings 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 6% of annual salary.

Deferred Compensation Plan

In addition to the benefits provided to all employees, the Company has established for officers (including all of the Named Executive 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 promote 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 plan provides a valuable benefit to senior executives with minimal cost to the Company.

The Company typically makes an annual discretionary contribution under the Capital Accumulation Plan for each participant equal to 5% of his or her base salary and annual incentive payment. In addition, to the extent a participant s contribution to the 401(k) savings plan is limited under restrictions placed on Highly Compensated Employees under ERISA, the participant may elect to contribute the amount so limited to the Capital Accumulation Plan. To the extent the Company is unable to match participant contributions under the 401(k) savings 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 5% contribution has a five-year vesting period.

The Capital Accumulation Plan also allows a 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 paid and the annual incentive deferral no later than six months into the performance period.

The Capital Accumulation Plan provides the same investment options to participants as are available under the 401(k) savings 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 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 subject to Section 409A of the Internal Revenue Code.

Perquisites

The types and amounts of perquisites provided to the Named Executive Officers have been determined by the Committee with input from Mercer based on perquisites granted to comparable officers by companies in the executive compensation review peer group. 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. However, the perquisites that the Company provides are generally fewer and less valuable than those provided by members of the peer group. The Committee reviews the perquisites provided to the Named Executive Officers in an attempt to ensure that the perquisites continue to be effective in the retention of executive talent and appropriate in light of the Committee s overall goal of designing a compensation program that maximizes the interests of Saia s stockholders.

The perquisites provided to the Named Executive Officers include the following (see the All Other Compensation column of the Summary Compensation Table):

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 policy for Mr. O Dell and $500,000 policies for each other Named Executive Officer) and

Country club membership (no maximum amount and provided only to Mr. O Dell. Historically approximately $1,000 per year).

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 secure the continued employment and dedication of the Named Executive Officers notwithstanding any concern the executives might have regarding their own continued employment. The Committee also believes that these arrangements are important as a recruitment and retention device, because many of the companies with which Saia competes for executive talent have similar agreements for their senior employees.

The stock options granted in February 2015 and February 2016 (other than options granted to Mr. O Dell) include non-competition and employee and customer non-solicitation provisions, as well as provisions designed to protect Saia s intellectual property. In conjunction with entering into these restrictive covenants, the Company entered into severance agreements with each employee who received a stock option grant, including each of the Named Executive Officers other than Mr. O Dell (Mr. O Dell s severance arrangements are governed by the terms of his employment agreement). These severance agreements provide for severance payments equal to 12 months of base salary for any employee whose employment with Saia is involuntarily terminated without cause as defined in the agreements. The employee is only eligible for the severance payments under the agreement upon the execution of a general release of all claims against the Company and so long as the employee has not breached any other agreement with the Company, including the restrictive covenants in the employee s stock option agreement and the employee is not otherwise to receive payment under the Executive Severance Agreement described below.

The Company has entered into change in control agreements with each of the Named Executive Officers (the Executive Severance Agreements). These agreements include a double trigger, meaning they provide for severance payments and other benefits only if there is a change in control of the Company and only if after the change in control the executive s employment is terminated involuntarily (other than for cause) or voluntarily with good reason. The executive severance agreements are reviewed annually by the Committee to ensure they are consistent with the Company s compensation philosophy. The Committee also receives input from Mercer and outside legal counsel to confirm that the agreements remain generally consistent with competitive practices. The Committee believes these agreements reward service and tenure and help to address the need for financial security for key executives when employment ends.

The specific payments to be made to the Named Executive Officers upon termination of employment in connection with a change in control of the Company under the executive severance and change in control agreements are based on peer group and general industry practices and are described in the Potential Payments Upon Termination or Change in Control section.

Employment Agreement

To provide an incentive for executive retention and help support certain non-competition and non-solicitation provisions, the Company has entered into an employment agreement with the Chief Executive Officer in 2006. Mr. O Dell s employment agreement is for a two-year initial term (renewing daily) and provides for a minimum base salary. The Committee with the assistance of Mercer evaluates Mr. O Dell s salary on an annual basis and makes a specific salary recommendation to the Board, which makes the final determination for the year, subject to the minimum base salary provided in the employment agreement. The employment agreement includes a severance payment and benefits to Mr. O Dell in the event of his employment termination under certain circumstances. All severance payments and benefits under the employment agreement are conditioned upon Mr. O Dell 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.

The material terms of the employment agreement are reviewed annually by the Committee with input from Mercer and outside legal counsel to confirm that they remain generally consistent with competitive practices. The Committee believes it is important to continue this employment agreement with Mr. O Dell to provide continuity and stability in the Company s leadership.

The payments to be made to Mr. O Dell upon termination of employment or a change in control of the Company under his employment agreement are described in the Potential Payments Upon Termination or Change in Control section.

Oversight

<u>Compensation Committee</u>

The executive compensation program is administered by the Committee, which is made up entirely of independent directors. The Committee recommends to the Board base salaries for the Named Executive Officers and determines specific grants of long-term incentives under the Company s Omnibus Incentive Plan and, commencing in 2016, specific annual incentive grants under the Bonus Plan. 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.saiacorp.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 Named Executive Officers as described in the tables above, the Committee takes the following factors into consideration, although none of these factors is determinative individually:

- The competitive environment for recruiting and retaining senior executives, including compensation trends, best practices, and executive compensation paid by our industry peers;

- The individual s performance, experience and future advancement potential;

- The Company s financial and operating performance in the last 12 to 24 months, as well as the strategic plan for future periods;

- The current economic conditions and the competitive market environment in which the Company operates;

- The Company s stock ownership and retention policies;

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

- Internal pay equity, as discussed above; and

- Recommendations from the Chief Executive Officer as to base salary for his direct reports including performance reviews and rationale for the recommendations.

Compensation Consultant

The Committee has retained Mercer US, Inc. (Mercer) as its executive compensation consultant to provide information, analysis and advice regarding executive and director compensation. While it is necessary for the Committee s independent consultant to interact with management to gather information, the Committee has adopted protocols governing if and when the consultant s advice and recommendations can be shared with management. 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 on a timely basis. The Committee formally evaluates the performance of Mercer on an annual basis and may terminate the services of Mercer at any time.

For 2015, the Company paid Mercer $87,253 for executive and director compensation services rendered to the Compensation Committee. Mercer is a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. (MMC). For the past few years, including during 2015, based on a determination made by management, the Company has used Marsh USA, Inc., an affiliate of MMC, to provide insurance brokerage services. The Company paid Marsh USA, Inc. $372,797 in fees in 2015 for such insurance brokerage services (this amount does not include insurance premiums that are paid through Marsh USA, Inc. to insurance carriers on behalf of Saia).

In connection with the Committee s consideration of the independence of Mercer, the Committee confirmed with Mercer that:

- The Mercer consultant receives no incentive or other compensation based on the fees charged to the Company for other services provided by Mercer or any of its affiliates;

- The consultant is not responsible for selling other Mercer or affiliate services to the Company;

- Mercer s professional standards prohibit the individual consultant from considering any other relationships Mercer or any of its affiliates may have with the Company in rendering their advice and recommendations;

- The Mercer consultant has no business or personal relationships with any members of Saia management or the Board other than providing executive compensation consulting; and

- The individual consultant and his immediate family members own no shares of Saia s common stock.

In its evaluation of the relationship with Mercer, the Committee also reviewed the protocols used by the Committee in its dealings with Mercer which include:

- The Committee has sole authority to retain and terminate Mercer at any time;
- The Mercer consultant has direct access to the Compensation Committee without management intervention;