

SAIA INC  
Form DEF 14A  
March 29, 2010

**SCHEDULE 14A INFORMATION**

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

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to § 240.14a-12

Saia, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
To Be Held April 27, 2010**

To Our Shareholders:

We cordially invite you to attend the 2010 annual meeting of shareholders of Saia, Inc. The meeting will take place at the Renaissance Concourse Atlanta Airport Hotel, One Hartsfield Centre Parkway, Atlanta, Georgia 30354 on April 27, 2010 at 10:30 a.m. local time. We look forward to your attendance, either in person or by proxy.

The purpose of the meeting is to:

1. Elect three directors, each for a term of three years;
2. Ratify the appointment of KPMG LLP as Saia's independent registered public accounting firm for fiscal year 2010; and
3. Transact any other business that may properly come before the meeting and any postponement or adjournment of the meeting.

Only shareholders of record at the close of business on March 12, 2010 may vote at the meeting or any postponements or adjournments of the meeting.

By order of the Board of Directors,

James A. Darby  
Secretary

March 26, 2010

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

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

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

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

**2010 PROXY STATEMENT**

The Board of Directors of Saia, Inc. ( Saia ) is furnishing you this proxy statement in connection with the solicitation of proxies on its behalf for the 2010 annual meeting of shareholders. The meeting will take place at the Renaissance Concourse Atlanta Airport Hotel, One Hartsfield Centre Parkway, Atlanta, Georgia 30354 on April 27, 2010 at 10:30 a.m. local time. At the meeting, shareholders will vote on the election of three directors, the ratification of the appointment of KPMG LLP as Saia s independent registered public accounting firm for fiscal year 2010, and will transact any other business that may properly come before the meeting, although we know of no other business to be presented.

By submitting your proxy (either by signing and returning the enclosed proxy card or by voting electronically on the Internet or by telephone), you authorize Herbert A. Trucksess, III and Björn E. Olsson, directors of Saia, and James A. Darby, Saia s Vice President 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 Shareholders for the fiscal year ended December 31, 2009, which includes Saia s audited annual consolidated financial statements, accompanies this proxy statement. Although the Annual Report is being distributed with this proxy statement, it does not constitute a part of the proxy solicitation materials and is not incorporated by reference into this proxy statement.

We are first sending this proxy statement, form of proxy and accompanying materials to shareholders on or about March 26, 2010.

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

**INFORMATION ABOUT THE ANNUAL MEETING**

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

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

1. Elect three directors, each for a term of three years; and
2. Ratify the appointment of KPMG LLP as Saia s independent registered public accounting firm for fiscal year 2010.

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

**Who is entitled to vote?**

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You may vote if you owned shares of our common stock at the close of business on March 12, 2010, the record date for the annual meeting, provided such shares are held directly in your name as the stockholder of 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 15,867,280 shares of Saia common stock outstanding and entitled to vote.

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**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 shareholders 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 share. 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 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 or by telephone must be received by 11:59 p.m. Eastern time on April 26, 2010.

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

3. *You May Vote in Person at the Meeting.* You may deliver your completed proxy card in person. Additionally, we will pass out written ballots to registered shareholders who wish to vote in person at the meeting.

*Beneficial Owners.*

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. Recent changes in regulations now prohibit banks, brokers and other nominees from voting shares in elections of directors unless the beneficial owners indicate how the shares are to be voted. Therefore, unlike in prior years, unless you instruct your bank, broker or nominee on how to vote your shares with respect to the election of directors, your bank, broker or nominee will be prohibited from voting on your behalf. As such, it is critical that you cast your vote if you want it to count in the election of directors at the annual meeting. 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 scheduled time of the meeting, the shareholders who are represented may adjourn the meeting until a quorum is present. The time and place of the adjourned meeting will be announced at the time the adjournment is taken, and no other notice will be given.

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

Your Board recommends that you vote:

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

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

**Who will count the votes?**

Saia's transfer agent, Computershare Trust Company, N.A., will tabulate and certify the votes. Renée McKenzie, the Company's Treasurer, will serve as the inspector of elections.

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

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

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

Because this is considered an uncontested election under the Company's Bylaws, a nominee for Director is elected to the Board if the votes cast for such nominee's election exceed the votes cast against such nominee's election. Abstentions will not affect the election of Directors. In tabulating the voting results for the election of directors, only FOR and AGAINST votes are counted. If an incumbent Director fails to receive a majority of the vote for re-election, the Nominating and Governance Committee of the Board will act on an expedited basis to determine whether to accept the Director's previously tendered irrevocable resignation and will submit such



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

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

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

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

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

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

Shares voting abstain and broker non-votes with respect to any nominee for director will be excluded entirely from the vote and will have no effect on the election of directors. Shares voting abstain on 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 proposal.

**PROPOSAL 1**

**ELECTION OF DIRECTORS**

**Current Nominees**

The Board of Directors currently consists of nine directors divided into three classes (Class I, Class II and Class III). Directors in each class are elected to serve for three-year terms that expire in successive years. The terms of the Class 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 shareholders to be held in 2013 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 in deciding whether to accept a director's resignation. Any Director who tenders his or her resignation pursuant to this provision of the Corporate Governance Guidelines will not participate in the Nominating and Governance Committee recommendation or Board consideration regarding whether or not to accept the tendered resignation.

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

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 director including such person's name, age, principal occupation and business experience for 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.

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.

**NOMINEES FOR ELECTION AS  
CLASS II DIRECTORS FOR A THREE-YEAR  
TERM EXPIRING AT THE 2013 ANNUAL MEETING**

<b>Director, Year First Elected as Director</b>	<b>Age</b>	<b>Principal Occupation, Business Experience and Directorships</b>
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John J. Holland, 2002	60	<p>Mr. Holland is the President of Greentree Advisors, LLC, a business advisory firm. 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 is a member of the Board of Directors of Cooper Tire and Rubber Company.</p>
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Mr. Holland brings to the Board operational and leadership experience as the Chief Executive Officer and Chief Financial Officer of a publicly traded company, experience as a director of other public companies and experience in public accounting as a Certified Public Accountant.

<b>Director, Year First Elected as Director</b>	<b>Age</b>	<b>Principal Occupation, Business Experience and Directorships</b>
Richard D. O Dell, 2006	48	<p>Mr. O Dell has been President and Chief Executive Officer of Saia, Inc. since December 2006 and has served as President of Saia since July 2006. In 1997, Mr. O Dell joined Saia Motor Freight Line, the operating subsidiary of the Company, as Chief Financial Officer. He continued in that position until his appointment as President and CEO in 1999 of Saia Motor Freight Line.</p> <p>As a long-time employee of the Company, Mr. O Dell s 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.</p>
Douglas W. Rockel, 2002	53	<p>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.</p> <p>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 shareholders.</p>

**Continuing Directors**

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

<b>Director, Year First Elected as Director</b>	<b>Age</b>	<b>Principal Occupation, Business Experience and Directorships</b>
Linda J. French, 2004	62	<p>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 for approximately four years and an executive officer of Payless Cashways, Inc. for approximately 12 years.</p> <p>Ms. French brings a wide variety of experience 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 to the Board. Additionally, Ms. French has particular experience in human resource matters.</p>



<b>Director, Year First Elected as Director</b>	<b>Age</b>	<b>Principal Occupation, Business Experience and Directorships</b>
William F. Martin, Jr., 2004	62	<p>Mr. Martin retired from Yellow Corporation, the former parent company of Saia, Inc., now known as YRC Worldwide Inc. ( Yellow Corporation ), in 2002, after 25 years of service. He had been senior vice president of legal, general counsel and corporate secretary.</p> <p>As a former general counsel and executive officer of a large publicly-traded LTL carrier, Mr. Martin brings to the Board extensive experience in the LTL industry and the regulation and governance of public companies in general.</p>
Björn E. Olsson, 2005	64	<p>Mr. Olsson served on the Resident Management Team at George K. Baum &amp; 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.</p> <p>Mr. Olsson s 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.</p>

**CLASS I DIRECTORS CONTINUING IN OFFICE  
WHOSE TERMS EXPIRE AT THE 2012 ANNUAL MEETING**

<b>Director, Year First Elected as Director</b>	<b>Age</b>	<b>Principal Occupation, Business Experience and Directorships</b>
Herbert A. Trucksess, III, 2000	60	<p>Mr. Trucksess is Chairman of the Board of Directors of Saia. He was named President and Chief Executive Officer of the Yellow Regional Transportation Group (now Saia, Inc.) in February 2000 and served as Chief Executive Officer until December 2006. Mr. Trucksess is a director of School Specialty, Inc., a publicly-traded provider of educational products and services.</p> <p>Mr. Trucksess brings to the Board more than 25 years of experience in the LTL industry, extensive knowledge of the Company s operations as the Company s former Chief Executive Officer, prior experience as the Chief Financial Officer of Yellow Corporation and experience as a director and audit committee chair of another public company.</p>



<b>Director, Year First Elected as Director</b>	<b>Age</b>	<b>Principal Occupation, Business Experience and Directorships</b>
James A. Olson, 2002	67	<p>Mr. Olson served as Chief Financial Officer of Plaza Belmont Management Group LLC, a private equity fund, from 1999 to 2006. He retired in March 1999 from Ernst &amp; Young LLP after 32 years. Mr. Olson is a member of the Board of Trustees of Entertainment Properties Trust, a publicly-traded real estate investment trust, and a director of American Century Mutual Funds.</p> <p>Mr. Olson brings to the Board 32 years of experience as a Certified Public Accountant in public accounting with a major public accounting firm. Additionally, his experience as a director and audit committee chair of other public companies aids his service to the Board.</p>
Jeffrey C. Ward, 2006	51	<p>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.</p> <p>Mr. Ward's experience at A.T. Kearney is focused on the North American transportation market. Additionally, he has experience in a privately-held family LTL company.</p>

## **CORPORATE GOVERNANCE**

### **THE BOARD, BOARD MEETINGS AND COMMITTEES**

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

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

The Company has adopted a Code of Ethics and Business Conduct applicable to all directors, officers and employees, including its principal executive officer, principal financial officer and controller. The Code of Ethics and Business Conduct is filed as Exhibit 14 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 filed with the Securities and Exchange Commission.



## **Board Leadership Structure**

The Board separated the Chief Executive Officer and Chairman of the Board positions following the 2006 sale of Jevic Transportation, Inc. ( Jevic ), the Company s hybrid less-than-truckload and truckload carrier business. Prior to the sale, Saia was a holding company comprised of two operating units, Saia Motor Freight Line, LLC ( Saia Motor Freight ) and Jevic. Following the sale of Jevic, the Board determined that in order to promote Board continuity, Mr. Trucksess, formerly the Company s Chief Executive Officer, would remain as Chairman of the Board and Mr. O Dell, formerly the president and Chief Executive Officer of Saia Motor Freight, would become

Chief Executive Officer of the holding company. The Board believes having a separate Chairman and Chief Executive Officer allow each to more fully focus on their applicable responsibilities. The Chief Executive Officer is responsible for setting the strategic director for the Company and the day to day leadership and performance of the Company, while the Chairman provides guidance to the Chief Executive Officer and sets the agenda for Board meetings and presides over meetings of the full Board.

Additionally, the Board created a Lead Independent Director position in order to have a director in a leadership position that was 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 2009, the Lead Independent Director was Björn E. Olsson. The primary responsibilities of the Lead Independent Director are to:

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

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

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

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

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

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

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

## Meetings

The Board of Directors held twelve meetings in 2009. Each director attended at least 75% of the meetings convened by the Board and the applicable committees during such director's service on the Board.

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

## Committees

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

<b>Audit Committee</b>	<b>Compensation Committee</b>	<b>Nominating and Governance Committee</b>
James A. Olson, Chair	Linda J. French, Chair	John J. Holland, Chair
John J. Holland	William F. Martin, Jr.	William F. Martin, Jr.

Douglas W. Rockel

Björn E. Olsson

Björn E. Olsson

Jeffrey C. Ward

Douglas W. Rockel

**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 eight meetings in

2009. The functions of the Audit Committee are described in the Audit Committee charter and include the following:

review the adequacy and quality of Saia's accounting and internal control systems;

review Saia's financial reporting process on behalf of the Board of Directors;

oversee the entire audit function, both internal and independent, including the selection of the independent registered public accounting firm;

examine 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. Olson, Mr. Holland and Mr. Rockel are audit committee financial experts, as defined by applicable rules of the Securities and Exchange Commission.

#### **Compensation Committee**

The Compensation Committee held four meetings in 2009. The functions of the Compensation Committee are described in the Compensation Committee charter and include 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; (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 2009. The functions of the Nominating and Governance Committee are described in the Nominating and Governance Committee charter and include the following:

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

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

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

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; and

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

Each member of the Nominating and Governance Committee meets the definition of an independent director 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 shareholder value. A fundamental part of risk management is 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, 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, diversity of perspectives, 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, shall be by a plurality of the votes cast at any meeting of stockholders. An election will be considered contested in which (i) the Secretary of the Company receives a notice that a stockholder has nominated a person for election to the Board of Directors in compliance with the advance notice requirements for stockholder nominees for Director set forth in the Company's Bylaws and (ii) such nomination has not been withdrawn by such stockholder on or before the 10th day before the Company first mails its notice of meeting for such meeting to the stockholders. If Directors are to be elected by a plurality of the votes cast, stockholders shall not be permitted to vote against a nominee.

In an uncontested election, Directors shall be elected by a majority of the votes cast for and against at any meeting of stockholders. If an incumbent Director fails to receive a majority of the vote for re-election in an uncontested election, the Nominating and Governance Committee will act on an expedited basis to determine whether to accept the Director's previously tendered irrevocable resignation and will submit such recommendation for prompt consideration by the Board. In considering whether to accept or reject the tendered resignation, the Nominating and Governance Committee and the Board will consider any factors they deem relevant in deciding whether to accept a Director's resignation. Any Director who tenders his or her resignation pursuant to this provision of the Corporate Governance Guidelines will not participate in the Nominating and Governance Committee recommendation or Board consideration regarding whether or not to accept the tendered resignation. The election of directors at the 2010 annual meeting of the

Company's shareholders is an uncontested election.

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

## CONSIDERATION OF DIRECTOR NOMINEES

### Director Qualifications

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

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

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

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

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

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

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

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

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

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

In considering whether to recommend any candidate as a director nominee, including candidates recommended by shareholders 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 Shareholders

#### *Shareholder Recommendations*



The Nominating and Governance Committee has adopted policies concerning the process for the consideration of director candidates recommended by shareholders. The Nominating and Governance Committee will consider director recommendations from shareholders. Any shareholder 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 shareholder as it appears on the Company's books;

The number and class of shares owned beneficially and of record by such shareholder and the length of period held; and proof of ownership of such shares;

If the recommending shareholder is not a shareholder of record, a statement from the record holder of the shares (usually a broker or bank) verifying the holdings of the shareholder and a statement from the recommending shareholder of the length of time that the shares have been held. (Alternatively, the shareholder may furnish 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 shareholder, together with a statement of the length of time that the shares have been held); and

A statement from the shareholder as to whether the recommending shareholder has a good faith intention to continue to hold the reported shares through the date of the Company's next annual meeting of shareholders.

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 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 shareholder and any agreements or understandings between the recommending shareholder 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.