

Waste Connections, Inc.
Form DEF 14A
April 03, 2014

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant
Filed by a party other than the Registrant
Check the appropriate box:

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

WASTE CONNECTIONS, INC.

(Name of Registrant as Specified in Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(1)

Amount Previously Paid:

(2)

Form, Schedule or Registration Statement No.:

(3)

Filing Party:

(4)

Date Filed:

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The Woodlands, Texas
April 1, 2014

Dear Stockholders:

You are cordially invited to attend the Waste Connections, Inc. Annual Meeting of Stockholders on Friday, May 16, 2014, at 10:00 a.m. (Central Daylight Time). The annual meeting will be held at Waste Connections corporate headquarters at 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380. Directions to Waste Connections corporate headquarters appear on the back cover of this notice of annual meeting and proxy statement.

The matters to be acted upon are described in the accompanying notice of annual meeting and proxy statement. As always, we are looking forward to meeting our stockholders in person, and responding to any questions you may have about the company.

YOUR VOTE IS VERY IMPORTANT. Whether or not you plan to attend the Annual Meeting of Stockholders, we urge you to vote and submit your proxy in order to ensure the presence of a quorum. You may do so by returning your proxy card by mail or, pursuant to instructions you receive from your bank or broker, by using the Internet or your telephone. If you attend the annual meeting, you will have the right to revoke any proxy you previously submitted and vote your shares in person.

Very truly yours,

Ronald J. Mittelstaedt
Chief Executive Officer and Chairman

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Waste Connections, Inc.

**3 Waterway Square Place, Suite 110
The Woodlands, Texas 77380**

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of Stockholders of Waste Connections, Inc. will be held on Friday, May 16, 2014, at 10:00 a.m. (Central Daylight Time). The annual meeting will be held at Waste Connections corporate headquarters at 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380, for the following purposes:

1. To elect Robert H. Davis to serve as a Class I director for a term of three years and until his successor has been duly elected and qualified, which is RECOMMENDED by our Board of Directors;
 2. To ratify the appointment of PricewaterhouseCoopers LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2014, which is RECOMMENDED by our Board of Directors;
 3. To approve on a non-binding, advisory basis the compensation of our named executive officers as disclosed in this proxy statement (say on pay), which is RECOMMENDED by our Board of Directors;
 4. To approve the adoption of the 2014 Incentive Award Plan, which is RECOMMENDED by our Board of Directors; and
 5. To transact such other business as may properly come before the Annual Meeting of Stockholders or any adjournment or postponement thereof.
- Only stockholders of record of Waste Connections common stock at the close of business on March 17, 2014, are entitled to receive notice of and to vote at the Annual Meeting of Stockholders or any adjournment thereof.

**Important Notice Regarding the Availability of Proxy
Materials for the
Annual Meeting of Stockholders to be Held on May 16,
2014**

**Our 2014 Proxy Materials and Annual Report to
Stockholders for the 2013 fiscal year
are available at**

[http://wasteconnections.investorroom.com/proxy-information.](http://wasteconnections.investorroom.com/proxy-information)

Stockholders of record may vote their proxies by signing, dating and returning a proxy card. If your shares are held in the name of a bank or broker, you may be able to vote on the Internet or by telephone. Please follow the instructions on the form you receive. The method by which you decide to vote will not limit your right to vote at the Annual

Our 2014 Proxy Materials and Annual Report to Stockholders for the 2013 fiscal year are available at <http://wasteconnections.investorroom.com/proxy-information>.

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Meeting of Stockholders. If you later decide to attend the Annual Meeting of Stockholders, you may revoke your previously submitted proxy and vote your shares in person.

By Order of the Board of Directors,

Patrick J. Shea
Secretary

April 1, 2014

Your vote is important. Whether or not you plan to attend the Annual Meeting of Stockholders, we urge you to vote and submit your proxy as promptly as possible in order to ensure your representation at the annual meeting.

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Waste Connections, Inc.

**3 Waterway Square Place, Suite 110
The Woodlands, Texas 77380**

**PROXY STATEMENT
FOR THE
ANNUAL MEETING OF STOCKHOLDERS**

GENERAL INFORMATION

About this Proxy Statement

We sent you these proxy materials because our Board of Directors is soliciting your proxy to vote your shares at the Annual Meeting of Stockholders of Waste Connections, Inc., or the company. This proxy statement includes information that we are required to provide to you under the rules of the Securities and Exchange Commission, or the SEC, and that is designed to assist you in voting your shares.

We will bear the costs of soliciting proxies from our stockholders. In addition to soliciting proxies by mail, our directors, officers and employees, without receiving additional compensation, may solicit proxies by telephone or in person.

Under the Securities and Exchange Commission rules that allow companies to furnish proxy materials to stockholders over the Internet, we have elected to deliver our proxy materials to the majority of our stockholders over the Internet. This delivery process allows us to provide stockholders with the information they need electronically, which is more environmentally friendly and reduces our costs to print and distribute these materials. On or about April 3, 2014, we will mail to our stockholders a Notice of Internet Availability of Proxy Materials, or the Notice, containing instructions on how to access our proxy statement for our 2014 Annual Meeting of Stockholders and Annual Report to Stockholders for the fiscal year 2013. The Notice also provides instructions on how to vote online or by telephone and includes instructions on how to receive a paper copy of the proxy materials by mail. We will not mail the Notice to stockholders who have previously elected to receive a paper copy of the proxy materials. On or about April 3, 2014, we will also first mail this proxy statement and a proxy card to certain stockholders.

The Securities and Exchange Commission permits us to deliver a single Notice to one address shared by two or more stockholders. This delivery method is referred to as *householding* and helps reduce our printing costs and postage fees. Under this procedure, we deliver a single package containing Notices to multiple stockholders who share an address. If you do not wish to participate in *householding* in the future, and prefer to receive separate Notices, please contact: Broadridge Financial Solutions, Attention Householding Department, 51 Mercedes Way, Edgewood, NY 11717, telephone 1-800-542-1061. If you are currently receiving multiple Notices and wish to receive only one Notice for your household, please contact Broadridge. If you wish to receive a separate copy of this proxy statement and our

Annual Report, please send a written request to the Secretary of Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380.

Who May Vote

Every holder of Waste Connections common stock, as recorded in our stock register at the close of business on March 17, 2014, may vote at the annual meeting. As of March 17, 2014, 123,947,441 shares of our common stock were outstanding and entitled to vote. Each stockholder of record is entitled to one vote for each share of our common stock held by the stockholder.

Voting and Revocation

You may receive more than one proxy card and/or Notice depending on how you hold your shares. You should complete and return each proxy card or other voting instruction request provided to you.

Registered Holders

If you are a registered holder of our common stock as of the record date, you will be able to vote your proxy by mail by signing, dating and mailing a proxy card in the postage-paid envelope provided. You may also attend the annual meeting and vote in person.

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Even if you vote your proxy by mailing a proxy card, you may revoke your proxy and cast a new vote at the annual meeting, if we are able to verify that you are a registered holder of our common stock, by filing a notice revoking the prior proxy and then voting in person. You may also change your vote before the annual meeting by properly submitting another proxy bearing a later date or by delivering a letter revoking the proxy to our Corporate Secretary at: Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380. The proxy with the latest date properly submitted by you before voting is closed at the annual meeting will be counted.

Shares Held in Street Name

If you have selected a broker, bank or other intermediary to hold your shares rather than having them directly registered in your name with our transfer agent, Wells Fargo Bank, N.A., you will receive instructions from your broker, bank or other intermediary on the procedure to follow to vote your shares. Your broker, bank or other intermediary also may permit you to vote your proxy by telephone or the Internet. **Please be aware that beneficial owners of shares held by brokers, banks or other intermediaries may not vote their shares in person at the annual meeting unless they first obtain a written authorization to do so from their broker, bank or other intermediary and can only change or revoke previously issued voting instructions pursuant to instructions provided by their broker, bank or other intermediary. We urge you to vote by following the instructions of your broker, bank or other intermediary.**

How Proxies Work

Our Board of Directors is asking for your proxy. Giving us your proxy means that you authorize us to vote your shares at the annual meeting in the manner you direct.

If you sign your proxy card but do not give voting instructions, we will vote your shares as follows:

in favor of our director nominee;

in favor of the ratification of the appointment of the independent registered public accounting firm;

in favor of the non-binding, advisory approval of the compensation of our named executive officers as disclosed in this proxy statement (also known as say on pay); and

in favor of the proposal to approve the adoption of the 2014 Incentive Award Plan.

For any other matters that may properly come before the annual meeting, your shares will be voted at the discretion of the proxy holders. You may vote for or against our director nominee. You may also vote for or against the other proposals, or you may abstain from voting.

Quorum

In order to carry on the business of the annual meeting, we must have a quorum. This means that at least a majority of the outstanding shares entitled to vote as of the close of business on the record date must be present at the annual meeting, either by proxy or in person.

Abstentions and broker non-votes are counted as present and entitled to vote at the annual meeting for purposes of determining whether we have a quorum. A broker non-vote occurs when a broker signs and returns a proxy but does not vote on a particular proposal because the broker does not have discretionary voting power for that particular item and has not received voting instructions from the beneficial owner.

Required Vote

The affirmative vote of a majority of the votes cast by holders of the shares present, either in person or by proxy, and entitled to vote is required for the election of the director nominee.

The ratification of the appointment of the independent registered public accounting firm requires the affirmative vote of a majority of the shares present, either by proxy or in person, and entitled to vote.

The affirmative vote of a majority of the shares present, either by proxy or in person, and entitled to vote, is required to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this proxy statement.

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The affirmative vote of a majority of the votes cast by holders of the shares present, either in person or by proxy, and entitled to vote is required to approve the adoption of our 2014 Incentive Award Plan.

Except with respect to the election of our director nominee, abstentions have the same effect as a vote against a matter because they are considered present and entitled to vote, but are not voted. Broker non-votes, if any, will not be counted as entitled to vote, but will count for purposes of determining whether or not a quorum is present. So long as a quorum is present, abstentions and broker non-votes will have no effect on the outcome of the vote for the election of our director nominee.

Attending in Person

Only stockholders, their proxy holders and our invited guests may attend the annual meeting. If you plan to attend, please bring identification and, if you hold shares in street name, you should bring your bank or broker statement showing your beneficial ownership of our stock in order to be admitted to the annual meeting.

Counting the Vote

We will use an automated system administered by our transfer agent to tabulate the votes at the annual meeting. Under certain circumstances, a broker or other nominee may have discretionary authority to vote certain shares of common stock if the broker or nominee has not received instructions from the beneficial owner or other person entitled to vote.

Forward-Looking Statements

This proxy statement contains forward-looking statements (as defined in the Private Securities Litigation Reform Act of 1995). These statements are based on our current expectations and involve risks and uncertainties, which may cause results to differ materially from those set forth in the statements. The forward-looking statements may include statements regarding actions to be taken by us. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Forward-looking statements should be evaluated together with the many uncertainties that affect our business, particularly those mentioned in the risk factors in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2013, and in our periodic reports on Form 10-Q and Form 8-K filed with the SEC.

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PROPOSAL 1 ELECTION OF DIRECTOR

Our Board of Directors is currently composed of five directors and is divided into three classes. One class is elected each year for a three-year term. Our Board of Directors has nominated Robert H. Davis for reelection to the Board of

Directors to serve as a Class I Director until the Annual Meeting of Stockholders to be held in 2017 and until his successor has been duly elected and qualified. Proxies will be voted, unless otherwise indicated, for the reelection of Mr. Davis to the Board of Directors. Proxies will be voted in a discretionary manner if Mr. Davis is unable to serve.

Mr. Davis is currently a director of Waste Connections.

Certain information about Mr. Davis and the directors serving in Class II and Class III, whose terms expire in future years, is set forth below.

Name, Background and Qualifications	Age	Director Since
<p>Nominee for Class I Director for Term Expiring in 2017</p> <p><i>Robert H. Davis</i> has been the Managing Partner/President of Rubber Recovery Inc., a private, California-based scrap tire processing and recycling company, since July 2006. Mr. Davis is the conceptual founder and a member of the external advisory board of the Global Waste Research Institute at California Polytechnic State University (Cal Poly). He served as President of Waste Systems International, Inc., a turnkey solid waste management systems provider of environmentally acceptable solutions to developing countries, from November 2007 to 2009. From 2007 to 2010, he was a member of the board of effENERGY LLC, an alternative energy company. Prior to acquiring his ownership interest in Rubber Recovery Inc., Mr. Davis was President, Chief Executive Officer and a Director of GreenMan Technologies, Inc., a publicly traded tire shredding and recycling company, from 1997 to 2006. Prior to joining GreenMan, Mr. Davis served as Vice President of Recycling for Browning-Ferris Industries, Inc., from 1990 to 1997. A 40-year veteran of the solid waste and recycling industry, Mr. Davis has also held executive positions with Fibres International, Garden State Paper Company and SCS Engineers, Inc. Mr. Davis holds a B.S. degree in Mathematics from Cal Poly, has done graduate work at George Washington University in Solid Waste Management, and has engaged in continuing education at Stanford University Law School in Corporate Governance. In 2009, Mr. Davis was honored as Alumni of the Year for the College of Science/Mathematics at Cal Poly. Since 2008, Mr. Davis has served on the Dean's Executive Advisory Committee for the College of Engineering, and since 2010, he has served on the Dean's Executive Advisory Committee for the College of Science and Mathematics.</p> <p>We believe that Mr. Davis's qualifications to serve on our Board of Directors include his past experience on our Board of Directors, his substantial experience in the solid waste and recycling industries, his considerable involvement in sustainability initiatives, his general experience with environmental matters, his government relations experience and his prior experience as a director of another publicly traded company.</p>	71	2001

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Name, Background and Qualifications	Age	Director Since
<p>Class II Directors Continuing in Office Terms Expiring in 2015</p> <p><i>Michael W. Harlan</i> is currently Chief Executive Officer of Principle Energy Services, LLC, a private equity backed oilfield services company that provides engineered noise mitigation solutions for oil and natural gas drilling, completions and production and operates throughout several major oil and natural gas shale basins across the United States. Mr. Harlan also serves as President of Harlan Capital Advisors, LLC, a private consulting firm focused on advising companies on strategic planning, mergers and acquisitions, debt and equity investments and capital-raising initiatives. Prior to forming Harlan Capital Advisors, Mr. Harlan served as President and Chief Executive Officer of U.S. Concrete, Inc., a publicly traded producer of concrete, aggregates and related concrete products to all segments of the construction industry, from May 2007 until August 2011. From April 2003 until May 2007, Mr. Harlan served as Executive Vice President and Chief Operating Officer of U.S. Concrete, Inc. He also served as Chief Financial Officer of U.S. Concrete from May 1999 until November 2004 after founding U.S. Concrete in August 1998. Mr. Harlan also served as a Director of U.S. Concrete from June 2006 until August 2011. U.S. Concrete, Inc. operated under the provisions of Chapter 11 of the United States Bankruptcy Code from April 29, 2010 until confirmation of its plan of reorganization on August 31, 2010. Prior to founding U.S. Concrete, Mr. Harlan held several senior financial positions with public companies, including chief financial officer, treasurer and controller. Mr. Harlan began his career with an international public accounting firm. Mr. Harlan previously served on the Board of Trustees for the RMC Research and Education Foundation, where he is the immediate past Chairman of the Board, the Board of Directors of the National Steering Committee for the Concrete Industry Management education program, and the Board of Directors and Executive Committee of the National Ready Mixed Concrete Association. In August 2013, Mr. Harlan joined the Board of Directors of Travis Acquisition, LLC, the parent of Travis Body & Trailer, Inc., a manufacturer of specialized trailers used in the construction, environmental services, agriculture and energy industries in the United States. Mr. Harlan also serves on the University of Houston Honors College Advisory Board. Mr. Harlan is a Certified Public Accountant and graduated summa cum laude from the University of Mississippi with a Bachelor of Accounting degree. We believe that Mr. Harlan's qualifications to serve on our Board of Directors include his past experience on our Board of Directors, his substantial experience in the solid waste industry, his significant experience in accounting and financial matters, including his extensive experience as a certified public accountant, his substantial experience with growth-oriented companies, and his experience as a director of another publicly traded company.</p>	53	1998

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Name, Background and Qualifications	Age	Director Since
<p><i>William J. Razzouk</i> has been Chairman, President and Chief Executive Officer of Newgistics, Inc. since March 2005. Mr. Razzouk has also served as a Director of Newgistics, Inc. since March 2005. Newgistics, Inc. is a provider of end-to-end e-commerce technology and logistics solutions to leading retail brands and direct-to-consumer marketers, including website platforming, software integration, implementation, hosting, order fulfillment and parcel delivery and returns. From August 2000 to December 2002, he was a Managing Director of Paradigm Capital Partners, LLC, a venture capital firm in Memphis, Tennessee focused on meeting the capital and advisory needs of emerging growth companies. From September 1998 to August 2000, he was Chairman of PlanetRx.com, an e-commerce company focused on healthcare and sales of prescription and over-the-counter medicines, health and beauty products and medical supplies. He was also Chief Executive Officer of PlanetRx.com from September 1998 until April 2000. From April 1998 until September 1998, Mr. Razzouk owned a management consulting business and an investment company that focused on identifying strategic acquisitions. From September 1997 until April 1998, he was the President, Chief Operating Officer and a Director of Storage USA, Inc., a then publicly traded (now private) real estate investment trust that owned and operated more than 350 mini storage warehouses. He served as the President and Chief Operating Officer of America Online from February 1996 to June 1996. From 1983 to 1996, Mr. Razzouk held various management positions at Federal Express Corporation, most recently as Executive Vice President, Worldwide Customer Operations, with full worldwide P&L responsibility. Mr. Razzouk previously held management positions at ROLM Corporation, Philips Electronics and Xerox Corporation. He previously was a Director of Fritz Companies, Inc., Sanifill, Inc., Cordis Corp., Storage USA, PlanetRx.com, America Online and La Quinta Motor Inns. Mr. Razzouk holds a Bachelor of Journalism degree from the University of Georgia. We believe that Mr. Razzouk's qualifications to serve on our Board of Directors include his past experience on our Board of Directors, his significant experience in corporate financial matters, his experience in the solid waste industry, his substantial experience with growth-oriented companies, and his prior experience as a director of other publicly traded companies.</p>	66	1998

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Name, Background and Qualifications	Age	Director Since
<p>Class III Directors Continuing in Office Terms Expiring in 2016</p>		
<p><i>Edward E. Ned Guillet</i> has been an independent human resources consultant since January 2007. From October 2005 until December 2006, he was Senior Vice President, Human Resources for the Gillette Global Business Unit of The Procter & Gamble Company, a position he held subsequent to the merger of Gillette with Procter & Gamble. From July 2001 until September 2005, Mr. Guillet was Senior Vice President, Human Resources and an executive officer of The Gillette Company, a global consumer products company. He joined Gillette in 1974 and held a broad range of leadership positions in its human resources department. Mr. Guillet has been a Director of CCL Industries Inc., a manufacturer of specialty packaging and labeling solutions for the consumer products and healthcare industries, since 2008, where he also serves as the Chairman of the Board of Directors Human Resources Committee and a member of its Nominating and Governance Committee. Mr. Guillet is a former member of Boston University's Human Resources Policy Institute. He holds a B.A. degree in English Literature and Secondary Education from Boston College.</p> <p>We believe that Mr. Guillet's qualifications to serve on our Board of Directors include his past experience on our Board of Directors, his substantial experience with human resources and personnel development matters, the positions he has held with other publicly traded companies and his experience as a director of another publicly traded company.</p>	62	2007
<p><i>Ronald J. Mittelstaedt</i> has been Chief Executive Officer and a Director of Waste Connections since the company was formed in September 1997, and was elected Chairman in January 1998. Mr. Mittelstaedt was also President of the company from Waste Connections' formation through August 2004. Mr. Mittelstaedt has more than 24 years of experience in the solid waste industry. He holds a B.A. degree in Business Economics with a finance emphasis from the University of California at Santa Barbara.</p> <p>We believe that Mr. Mittelstaedt's qualifications to serve on our Board of Directors include his more than 24 years of experience in the solid waste industry, including as our founder, our Chief Executive Officer and a director since the company was formed in 1997 and our Chairman since 1998.</p>	50	1997
<p><i>THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE FOR THE REELECTION OF MR. DAVIS TO THE BOARD OF DIRECTORS.</i></p>		

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CORPORATE GOVERNANCE AND BOARD MATTERS

Corporate Governance Guidelines, Committee Charters and Code of Conduct and Ethics

As part of our ongoing commitment to good corporate governance, we have adopted Corporate Governance Guidelines and charters for the Committees of the Board of Directors to promote the effective functioning of our Board of Directors and its Committees, to promote the interests of stockholders and to ensure a common set of expectations concerning how the Board of Directors, its Committees and management should perform their respective functions. We have also adopted a Code of Conduct and Ethics that applies to all of our directors, officers and employees. Copies of our Corporate Governance Guidelines and our Code of Conduct and Ethics are available on our website at www.wasteconnections.com. A copy of either may also be obtained, free of charge, by writing to the Secretary of Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380.

Board of Directors and Committees

Our Board of Directors held seven meetings during 2013, five of which were regularly scheduled. Three of the seven meetings were held telephonically. The Board of Directors has five standing committees: the Executive Committee, the Audit Committee, the Compensation Committee, the Special Equity Award Committee and the Nominating and Corporate Governance Committee. Each director attended at least 75% of the meetings of the Board of Directors and the committees on which he served in 2013. Our policy on director attendance at Annual Meetings of Stockholders is that directors are invited but not required to attend. Two directors, Mr. Mittelstaedt, the Chairman of the Board, and Mr. Harlan, the company's lead independent director and chairman of the Audit Committee, attended the Annual Meeting of Stockholders in 2013.

The Executive Committee, whose chairman is Mr. Mittelstaedt and whose other current members are Messrs. Harlan and Razzouk, met once in 2013. The Executive Committee is authorized to exercise all of the powers and authority of the Board of Directors in managing our business and affairs, other than to authorize matters required by Delaware law to be approved by the stockholders, and other than adopting, amending or repealing any of our Bylaws. Between meetings of the Board of Directors, the Executive Committee approves all acquisitions and divestitures by us for stock and all acquisitions and divestitures by us for cash or other consideration in excess of \$10.0 million.

The Board of Directors has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended, or the Exchange Act. The Audit Committee, whose chairman is Mr. Harlan and whose other current members are Messrs. Razzouk and Davis, met five times in 2013. The Board of Directors has determined that all of the members of the Audit Committee are financially literate within the meaning of New York Stock Exchange listing standards. The Board of Directors has also determined that Mr. Harlan is an audit committee financial expert as defined under the Securities and Exchange Commission rules. The committee's duties are discussed below under Audit Committee Report.

The Compensation Committee, whose chairman is Mr. Razzouk and whose other current members are Messrs. Harlan and Guillet, met eight times in 2013. This committee is responsible for establishing our executive officer compensation policies and administering such policies. The Compensation Committee studies, recommends and implements the amount, terms and conditions of payment of any and all forms of compensation for our directors and executive officers; approves and administers any guarantee of any obligation of, or other financial assistance to, any

officer or other employee; and approves the grant of options, warrants, restricted stock and other forms of equity incentives to officers, directors, employees, agents and consultants. See Executive Compensation Compensation Discussion and Analysis for more information regarding compensation and the Compensation Committee.

The Special Equity Award Committee, which the Board of Directors established on October 25, 2005, is empowered with separate but concurrent authority with the Compensation Committee to make awards to all eligible individuals typically new hires under the company's various equity incentive plans, subject to certain exceptions and limitations set by the Board of Directors. The Special Equity Award Committee may not, for example, grant annual awards to the company's employees, officers, directors and consultants, which are typically authorized by the Compensation Committee annually in February; the committee may not grant

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awards to the company's executive officers or directors; and the committee may not grant more than 10,000 options and warrants or more than 5,000 shares of restricted stock or restricted stock unit awards to an eligible individual in any given calendar year. Mr. Mittelstaedt is the chair and sole member of the Special Equity Award Committee.

The Nominating and Corporate Governance Committee, whose chairman is Mr. Guillet and whose other current members are Messrs. Davis and Razzouk, met four times in 2013. This committee is responsible for recommending director nominees to the Board of Directors and developing and implementing corporate governance principles.

Current copies of the Audit Committee Charter, the Compensation Committee Charter and the Nominating and Corporate Governance Committee Charter, each of which our Board of Directors has adopted, are available on our website at *www.wasteconnections.com*. A copy of each charter may also be obtained, free of charge, by writing to the Secretary of Waste Connections, Inc., 3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380.

The Board's Role in Oversight of Risk

The Board of Directors and its committees have an active role in overseeing management of the company's risks. The Board regularly reviews information from members of senior management regarding the company's financial performance, balance sheet, credit profile and liquidity, as well as the risks associated with each. The Board also receives reports from members of senior and regional management on areas of material risk to the company, including market-specific, operational, legal, regulatory and strategic risks. The Compensation Committee of the Board of Directors assesses and monitors risks relating to the company's executive officer compensation policies and practices. The Audit Committee of the Board of Directors oversees management of financial, financial reporting and internal controls risk. The Nominating and Corporate Governance Committee of the Board of Directors is responsible for overseeing the management of risks associated with the independence of the Board of Directors and potential conflicts of interest.

Director Independence; Lead Independent Director

The Board of Directors has determined that each of Messrs. Harlan, Razzouk, Davis and Guillet is independent within the meaning of the standards set forth in our Corporate Governance Guidelines. Messrs. Davis, Harlan and Razzouk together make up the Board's Audit Committee. Messrs. Guillet, Harlan and Razzouk together make up the Board's Compensation Committee. Messrs. Davis, Guillet and Razzouk together make up the Board's Nominating and Corporate Governance Committee.

The Board selects its Chairman and the company's Chief Executive Officer in any way it considers to be in the best interest of the company. The Board has determined that its stockholders are best served by having Ronald J. Mittelstaedt, the company's founder and current Chief Executive Officer, also serve as chairman of the Board. Mr. Mittelstaedt has held the positions of Chairman of the Board and Chief Executive Officer since January 1998.

In the event that Mr. Mittelstaedt no longer serves as both Chairman and Chief Executive Officer, it is the Board's policy that the positions of Chairman and Chief Executive Officer be held by separate persons.

To ensure the strength and independence of the Board, the independent, non-employee directors typically meet in an executive session, without management, at each of our five regularly scheduled Board of Directors meetings. Furthermore, when the Chairman is an affiliated director or a member of the company's management, or when the independent directors determine that it is in the best interests of the company, the independent directors will appoint from among themselves a lead independent director. The Board has designated the chairman of the Audit Committee,

currently Mr. Harlan, as the Board's lead independent director. In addition to his other duties as a director and member of committees, the lead independent director:

presides at all meetings of the Board at which the Chairman is not present;
has the authority to call meetings of non-employee directors;
presides over each meeting of non-employee directors;
helps facilitate communication between the Chairman/CEO and the non-employee directors;

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advises with respect to the Board's agenda; and
if requested by major stockholders, ensures his availability for direct communication.

If the Chairman of the Board is an independent director, then the duties for the lead independent director described above shall be part of the duties of the Chairman. As set forth in our Corporate Governance Guidelines, a majority of the members of our Board of Directors must be independent. For a director to be considered independent, the Board of Directors must determine that the director is independent within the meaning of the New York Stock Exchange listing standards. In addition, for a director to be considered independent, the Board of Directors must determine that the director has no material relationship with the company, either directly or indirectly as a partner, stockholder or officer of an organization that has a relationship with the company. No director who is a former employee of the company, is a former employee or affiliate of any current auditor of the company or its subsidiaries, is a part of an interlocking directorate in which any executive officer of the company serves on the compensation committee of another company that concurrently employs such director or has an immediate family member in any of the foregoing categories, can be independent until three years after such employment, affiliation or relationship has ceased.

The Board of Directors reviews all commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships of each director to assess whether any of them is a material relationship so as to impair that director's independence. A material relationship means a direct or indirect commercial, industrial, banking, consulting, legal, accounting, charitable or familial relationship that is reasonably likely to affect the independent and objective judgment of the director in question, provided that the direct or indirect ownership of any amount of our stock is not deemed to constitute a material relationship. The following commercial or charitable relationships are not considered to be material relationships that would impair a director's independence: if a director of Waste Connections (a) is also an executive officer of another company that does business with Waste Connections and the annual sales to, or purchases from, Waste Connections are less than the greater of \$1 million or two percent of the annual revenue of that other company; (b) is an executive officer of another company that is indebted to Waste Connections, or to which Waste Connections is indebted, and the total amount of either company's indebtedness to the other is less than one percent of the total consolidated assets of that other company; or (c) serves as an officer, director or trustee of a charitable organization, and Waste Connections' discretionary charitable contributions to that organization are less than one percent of that organization's total annual receipts. The Board of Directors reviews annually whether its members satisfy these categorical independence tests before any non-employee member stands for reelection to the Board of Directors.

All relationships not covered by the preceding paragraph are reviewed by the directors who satisfy the independence tests set forth above to determine whether they are material so as to impair a director's independence. If the Board of Directors determines that any relationship is immaterial even though it does not meet the categorical tests for immateriality set forth above, we will explain in our next proxy statement the basis for the Board of Directors' determination.

In October 2008, Mr. Davis, after informing the Board of Directors, joined the external advisory board of the Global Waste Research Institute, or the GWRI. The GWRI, of which Mr. Davis is a conceptual founder, was developed in conjunction with California Polytechnic State University, San Luis Obispo. The GWRI's mission is to advance state-of-the-art research and development of sustainable technologies and practices to more effectively manage existing and emerging wastes and byproducts. Also in October 2008, Waste Connections agreed to make gifts to the GWRI totaling up to \$1,000,000 over nine years (\$100,000 of which was paid in 2013), subject to certain conditions. Based on information provided to the Board of Directors by Mr. Davis, these gifts will initially constitute more than one percent of the total annual receipts of GWRI, which caused the relationship to fall outside the criteria of the independence tests set forth above and required the Board of Directors to review and decide whether to approve Mr. Davis' involvement with the GWRI. After a review of the relevant facts and the mission of the GWRI, the Board of Directors determined that Mr. Davis' participation in the GWRI as a member of its external advisory board coupled

with Waste Connections contributions to the GWRI would not be a material relationship that would impair Mr. Davis independence as a director of Waste Connections.

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On August 30, 2013, Mr. Harlan was appointed to the board of directors of Travis Acquisition, LLC, the parent of Travis Body & Trailer, Inc., a private company from which Waste Connections has purchased, and expects to continue to purchase in the future, an immaterial amount of equipment. In connection with his appointment, Mr. Harlan made an equity investment in Travis Acquisition, LLC. On August 29, 2013, after due consideration of the immaterial nature of the potential conflicts of interest that may be presented by Mr. Harlan's relationships with Travis Body & Trailer, Inc., the Nominating and Corporate Governance Committee of the Board of Directors of Waste Connections determined Mr. Harlan's relationship with Travis Body & Trailer, Inc. did not impair Mr. Harlan's independence as a director of Waste Connections.

Independence of Committee Members

In addition to the general requirements for independent Board members described above, members of the Audit Committee and the Compensation Committee must also satisfy the additional independence requirements of the New York Stock Exchange and federal securities laws. These rules, among other things, prohibit a member of the Audit Committee or the Compensation Committee, other than in his capacity as a member of such committee, the Board of Directors or any other committee of the Board of Directors, from receiving any compensatory fees from or being an affiliated person of Waste Connections or any of its subsidiaries. As a matter of policy, the Board of Directors also applies this additional requirement to members of the Nominating and Corporate Governance Committee.

Our Director Nomination Process

Our Board of Directors believes that directors must have the highest personal and professional ethics, integrity and values. They must be committed to representing the long-term interests of our stockholders. They must have objective perspective, practical wisdom, mature judgment and expertise, and operational or financial skills and knowledge useful to the oversight of our business. While we do not have a formal policy regarding diversity in identifying nominees for a directorship, our goal is to have a Board of Directors that represents diverse experiences at policy-making levels in business and other areas relevant to our activities. Directors should be committed to serving on the Board for an extended period of time.

In addition to the foregoing qualities, the Nominating and Corporate Governance Committee will take a number of other factors into account in considering candidates as nominees for the Board of Directors, including the following: (i) whether the candidate is independent within the meaning of our Corporate Governance Guidelines; (ii) relevant business, academic or other experience; (iii) willingness and ability to attend and participate actively in Board and Committee meetings and otherwise to devote the time necessary to serve, taking into consideration the number of other boards on which the candidate serves and the candidate's other business and professional commitments; (iv) potential conflicts of interest; (v) whether the candidate is a party to any adverse legal proceeding; (vi) the candidate's reputation; (vii) specific expertise and qualifications relevant to any Committee that the candidate is being considered for, such as whether a candidate for the Audit Committee meets the applicable financial literacy or audit committee financial expert criteria; (viii) willingness and ability to meet our director's equity ownership guidelines; (ix) willingness to adhere to our Code of Conduct and Ethics; (x) ability to interact positively and constructively with other directors and management; (xi) willingness to participate in a one-day new director orientation session; (xii) willingness to attend educational forums or workshops to enhance understanding of new and evolving governance requirements; and (xiii) the size and composition of the current Board.

When seeking director candidates, the Nominating and Corporate Governance Committee may solicit suggestions from incumbent directors, management, third party advisors, business and personal contacts, and stockholders. The Nominating and Corporate Governance Committee may also engage the services of a search firm. After conducting an

initial evaluation, the Nominating and Corporate Governance Committee will make arrangements for candidates it considers suitable to be interviewed by one or more members of the committee. Each candidate will be required to complete a standard directors and officers questionnaire, completed by all of the directors annually. The Nominating and Corporate Governance Committee may also ask the candidate to meet with members of our management. If the Nominating and Corporate Governance Committee believes that the candidate would be a valuable addition to the Board of Directors, it will recommend the candidate for nomination to the Board.

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The Nominating and Corporate Governance Committee will apply the criteria described above when considering candidates recommended by stockholders as nominees for the Board of Directors. In addition, any of our stockholders may nominate one or more persons for election as a director of the company at an Annual Meeting of Stockholders if the stockholder complies with the notice, information and consent provisions contained in our Third Amended and Restated Bylaws. Pursuant to our Bylaws, to be considered for inclusion in our proxy materials, notice of a stockholder's nomination of a person for election to the Board of Directors must be received by the Secretary of Waste Connections in writing at the address listed on the first page of this proxy statement not less than 90 days nor more than 120 days prior to the one-year anniversary of the preceding year's annual meeting; provided, however, that if the date of the annual meeting is more than 30 days before or more than 60 days after such anniversary date, notice by the stockholder to be timely must be received not later than the 90th day prior to such annual meeting or, if later, the 10th day following the day on which public disclosure of the date of such annual meeting was first made. The notice must contain and be accompanied by certain information as specified in our Bylaws, including information about the stockholder providing the notice, the proposed nominee and other information as we may reasonably require. Stockholders making nominations must provide, among other things, information regarding each such stockholder's and their affiliates' holdings of synthetic equity, derivatives or short positions and other material interests and relationships that could influence nominations and other information that would be required in a proxy statement. Additionally, stockholders nominating director candidates are required to disclose the same information about the director candidate that would be required if the director candidate were submitting a proposal, and the director candidates are required to complete a questionnaire and representation and agreement with respect to their background, any voting commitments or compensation arrangements and their commitment to abide by the company's governance guidelines. Such information must be updated and supplemented so as to be accurate as of the record date of the annual meeting and as of ten business days prior to the annual meeting. We recommend that any stockholder wishing to nominate a director at an annual meeting review a copy of our Bylaws.

Before nominating a sitting director for reelection at an Annual Meeting of Stockholders, the Nominating and Corporate Governance Committee will consider the director's past performance and contribution to the Board of Directors.

Majority Voting for Directors

Our Bylaws provide, in uncontested director elections, for our directors to be elected by the affirmative vote of a majority of the votes cast at the annual meeting, and require our Board of Directors to establish and maintain procedures under which any incumbent director who is not elected will be expected to offer to tender his or her resignation to the Board of Directors. Pursuant to the director resignation policy adopted by the Board of Directors and included in our Corporate Governance Guidelines, we expect each incumbent director who fails to receive the required number of votes for re-election in accordance with our Bylaws to resign from our Board of Directors if the Nominating and Corporate Governance Committee or another duly authorized committee of the Board of Directors determines to accept such resignation. In making its determination, the deciding committee may consider all factors it considers relevant. The director who is the subject of such determination shall not participate in the deliberations or decisions of the deciding committee.

The company shall publicly disclose the decision(s) of the deciding committee by a press release, a filing with the SEC or other broadly disseminated means of communication. If the director's tendered resignation is not accepted by the deciding committee or the director does not submit his or her resignation to the Board of Directors, such director shall continue to serve until his or her successor is duly elected, or his or her earlier resignation or removal. If the director's resignation is accepted by the deciding committee, or if a nominee for director is not elected and the nominee is not an incumbent director, then the Board of Directors, in its sole discretion, may fill any resulting vacancy or

decrease the size of the Board of Directors pursuant to the provisions of our Bylaws.

Communications with the Board

Stockholders and other interested parties may communicate with the Board of Directors generally, with the non-employee directors as a group or with a specific director at any time by writing to the Board of Directors, the non-employee directors or a specific director, care of the Secretary of Waste Connections, Inc.,

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3 Waterway Square Place, Suite 110, The Woodlands, Texas 77380. The Secretary will forward all communications to the Board of Directors, the non-employee directors or a specific director, as applicable, as soon as practicable after receipt without screening the communication. Stockholders and other interested parties are requested to provide their contact information and to state the number of shares of our common stock that they beneficially own in their communications to the Board of Directors. Because other appropriate avenues of communication exist for matters that are not of stockholder interest, such as general business complaints or employee grievances, stockholders and other interested parties are urged to limit their communications to the Board of Directors to matters that are of stockholder interest and that are appropriate for consideration at the Board level.

Compensation Committee Interlocks and Insider Participation

In 2013, the Compensation Committee of our Board of Directors consisted of Messrs. Razzouk, Harlan and Guillet. None of our executive officers served as a director or member of the compensation committee of another entity which had an executive officer that served as a director or member of our Compensation Committee. In addition, there are no other such potential Compensation Committee interlocks.

Compensation of Non-Employee Directors for Fiscal Year 2013

The following table provides compensation information for the year ended December 31, 2013, for each non-employee member of our Board of Directors. Directors who are officers or employees of Waste Connections do not currently receive any compensation as directors or for attending meetings of the Board of Directors or its committees.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾	Total (\$)
Robert H. Davis	60,000	153,748	213,748
Edward E. Ned Guillet	65,000	153,748	218,748
Michael W. Harlan	75,000	153,748	228,748
William J. Razzouk	70,000	153,748	223,748

In February 2013, each of our non-employee directors received an annual grant of 4,522 restricted stock units with a grant date fair value of \$153,748, which is shown in the Stock Awards column. The restricted stock units granted in February were granted under our Third Amended and Restated 2004 Equity Incentive Plan. Amounts shown do not reflect compensation actually received by the director. Instead, the amount shown for each non-employee (1)director is the grant date fair value of the 2013 awards computed in accordance with generally accepted accounting principles, excluding estimates of forfeitures related to service-based vesting conditions. A discussion of the valuation of stock awards is set forth under Note 1 of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, filed with the SEC on February 10, 2014.

The table below shows the aggregate numbers of unvested stock awards (in the form of restricted stock units) and unexercised option awards outstanding for each non-employee director as of December 31, 2013.

Name

	Aggregate Stock Awards Outstanding as of December 31, 2013 (#)	Aggregate Option Awards Outstanding as of December 31, 2013 (#)
Robert H. Davis	2,261	0
Edward E. Ned Guillet	2,261	0
Michael W. Harlan	2,261	47,250
William J. Razzouk	2,261	0

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In 2013, each non-employee director received a basic monthly cash retainer of \$5,000. Committee chairs received the following additional cash compensation, which amounts are added to their monthly retainers: Audit Committee Chair \$1,250, Compensation Committee Chair \$833.33, and Nominating and Corporate Governance Committee Chair \$416.67.

The monthly cash retainer is intended to compensate non-employee directors for participation in Board and committee meetings and for incidental participation in company affairs between meetings. Each Board member is also eligible for reimbursement of reasonable expenses incurred in attending meetings.

We grant each non-employee director annual restricted stock unit awards with a targeted value of approximately \$150,000. On February 25, 2013, we granted each non-employee director 4,522 restricted stock units under our Third Amended and Restated 2004 Equity Incentive Plan and no options. The restricted stock units vested in two equal installments on each of the February 25, 2013 grant date and the first anniversary of the grant date, subject to the director continuing to provide services to the company through the vesting date.

Non-Employee Directors Equity Ownership

Non-employee directors of the company are required to hold shares of the company's common stock having a market value of at least \$200,000. Non-employee directors have five years from the fiscal year-end following initial election to the Board to accumulate the stock ownership prescribed by the guidelines. For purposes of the calculation, shares deemed beneficially owned by the non-employee directors within the meaning of the rules of the SEC, as well as shares of restricted stock or RSUs subject to time-based vesting held by the non-employee director, and vested or time-based unvested RSUs or resulting shares deposited into a deferred compensation plan or arrangement, are included in the calculation of the amount of such individual's ownership. As of the date of this proxy statement, all of our non-employee directors exceeded the requirements of our stock ownership guidelines.

TABLE OF CONTENTS**PRINCIPAL STOCKHOLDERS****Security Ownership of Five Percent Stockholders**

The following table shows the amount of our common stock beneficially owned, as of March 17, 2014, by each person or entity that we know owns more than five percent of our common stock.

Name of Beneficial Owner ⁽¹⁾	Amount and Nature of Beneficial Ownership	Percent of Class
T. Rowe Price Associates, Inc. ⁽²⁾	9,615,021	7.8 %
BlackRock, Inc. ⁽³⁾	7,500,944	6.1
The Vanguard Group ⁽⁴⁾	6,911,535	5.6

Beneficial ownership is determined in accordance with the rules of the SEC. In general, a person who has voting power and/or investment power with respect to securities is treated as the beneficial owner of those securities.
⁽¹⁾ Except as otherwise indicated by footnote, we believe that the persons named in this table have sole voting and investment power with respect to the shares of common stock shown.

The share ownership of T. Rowe Price Associates, Inc. is based on a Schedule 13G/A filed with the SEC on February 10, 2014. T. Rowe Price Associates, Inc. has sole voting power with respect to 2,262,939 shares and sole dispositive power with respect to all shares. The address of T. Rowe Price Associates, Inc. is 100 E. Pratt Street, Baltimore, Maryland 21202. These securities are owned by various individual and institutional investors which T. Rowe Price Associates, Inc. serves as an investment adviser with power to direct investments and/or sole power to vote the securities. For the purposes of the reporting requirements of the Securities Exchange Act of 1934, T. Rowe Price Associates, Inc. is deemed to be a beneficial owner of such securities; however, T. Rowe Price Associates, Inc. expressly disclaims that it is, in fact, the beneficial owner of such securities.

The share ownership of BlackRock, Inc. is based on a Schedule 13G filed with the SEC on January 31, 2014.
⁽³⁾ BlackRock, Inc. has sole voting power with respect to 6,921,413 shares and sole dispositive power with respect to all shares. The address of BlackRock, Inc. is 40 East 52nd Street, New York, New York 10022.

The share ownership of The Vanguard Group is based on a Schedule 13G filed with the SEC on February 12, 2014.
⁽⁴⁾ The Vanguard Group has sole voting power with respect to 77,117 shares and sole dispositive power with respect to 6,842,768 shares. The address of The Vanguard Group is 100 Vanguard Blvd., Malvern, Pennsylvania 19355.

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The following table shows the amount of our common stock beneficially owned, as of March 17, 2014, by: (i) our named executive officers, or NEOs, and each of our directors; and (ii) all of our current directors and executive officers as a group. These individuals, both individually and in the aggregate, own less than 1% of our outstanding shares as of the record date.

Name of Beneficial Owner ⁽¹⁾	Amount and Nature of Beneficial Ownership ⁽²⁾		Vested Restricted Stock	
			Units Held Under Nonqualified Deferred Compensation Plan ⁽³⁾	Total
Ronald J. Mittelstaedt	98,518	(4)	91,244	189,762
Steven F. Bouck	177,818	(5)		177,818
Darrell W. Chambliss	104,113		25,060	129,173
Worthing F. Jackman	55,162		26,389	81,551
Michael W. Harlan	74,592	(6)		74,592
Edward E. Ned Guillet	46,530			46,530
William J. Razzouk	17,446			17,446
James M. Little	13,615	(7)		13,615
Robert H. Davis	3,742			3,742
All executive officers and directors as a group (19 persons)	700,691	(8)	166,439	867,130

Beneficial ownership is determined in accordance with the rules of the SEC. In general, a person who has voting power and/or investment power with respect to securities is treated as the beneficial owner of those securities.

(1) Except as otherwise indicated by footnote, we believe that the persons named in this table have sole voting and investment power with respect to the shares of common stock shown.

(2) Shares of common stock subject to options and/or warrants currently exercisable or exercisable within 60 days after March 17, 2014, shares of common stock into which convertible securities are convertible within 60 days after March 17, 2014, and shares which will become issuable within 60 days after March 17, 2014, pursuant to outstanding restricted stock units count as outstanding for computing the percentage beneficially owned by the person holding such options, warrants, convertible securities and restricted stock units, but are not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

(3) Executive officers may voluntarily defer receipt of restricted stock unit grants under our Nonqualified Deferred Compensation Plan, which is described elsewhere in this proxy statement, under Nonqualified Deferred Compensation in Fiscal Year 2013. The restricted stock units held under our Nonqualified Deferred Compensation Plan are not considered common stock that is beneficially owned for SEC disclosure purposes. We have included them in this table because they are similar to or track our common stock, they ultimately are settled in common stock, and they represent an investment risk in the performance of our common stock.

(4) Includes 98,518 shares held by Mittelstaedt Enterprises, L.P., of which Mr. Mittelstaedt is a limited partner.

Excludes 3,524 shares held by the Mittelstaedt Irrevocable Trust dated 6/18/97 and 24,688 shares held by RDM

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Positive Impact Foundation as to which Mr. Mittelstaedt disclaims beneficial ownership.

(5) Excludes 5,850 shares owned by Mr. Bouck's two sons as to which Mr. Bouck disclaims beneficial ownership.

(6) Includes 47,250 shares subject to options exercisable within 60 days after March 17, 2014.

(7) Includes 983 shares owned by Mr. Little's spouse.

(8) Includes 47,250 shares subject to options exercisable within 60 days after March 17, 2014.

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EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides a detailed description of our executive compensation philosophy and objectives, the elements of our executive compensation programs, the compensation decisions the Compensation Committee has made under those programs and the factors considered in making those decisions. This section of the proxy statement focuses on the compensation earned by our Named Executive Officers, each of whom is referred to as an NEO. For 2013, our NEOs included the following individuals:

Ronald J. Mittelstaedt, Chief Executive Officer and Chairman of the Board;
Worthing F. Jackman, Executive Vice President and Chief Financial Officer;
Steven F. Bouck, President;
Darrell W. Chambliss, Executive Vice President and Chief Operating Officer; and
James M. Little, Senior Vice President Engineering and Disposal.

Executive Summary: Pay for Performance

Waste Connections' executive compensation program is designed to align the interests of senior management with stockholders by tying a significant portion of their compensation to the company's annual operating and financial performance as well as longer term stockholder returns. We believe that our pay-for-performance philosophy and the design of our executive compensation program strongly support an environment of continuous improvement and stockholder value creation. While the key components of our executive officer compensation have remained substantially unchanged over the past several years, the Compensation Committee periodically evaluates them to ensure they are meeting the objectives discussed below. For example, the Compensation Committee recently has taken additional steps, as discussed in detail below, to further strengthen the alignment of the company's performance with our equity compensation program.

Fiscal 2013 Performance

The company achieved strong performance in 2013 as highlighted by the following:

Improved Operating Performance

Revenue increased 16.1% to \$1.93 billion, adjusted net income grew 17.9% to \$221.8 million, and adjusted free cash flow increased 9.4% to \$301.6 million;

Adjusted EBITDA margin increased from 31.8% in 2012 to 34.1% in 2013 due to strong growth in solid waste pricing and disposal volumes, and the increased mix of higher margin exploration and production, or E&P, waste revenue resulting from the acquisition of the business of R360 Environmental Solutions, Inc., or R360, in October 2012;

We integrated the R360 acquisition and permitted new E&P waste facilities in North Dakota, Oklahoma and Texas;

We further improved the company's safety-related incident rate;

We deployed approximately \$209.9 million for capital expenditures and \$64.2 million for acquisitions to reinvest in and expand our business and position the company for continuing free cash flow growth in 2014 despite the expiration of bonus depreciation cash tax benefits at year-end 2013; and

We refinanced our senior revolving credit facility and term loan facility and repaid approximately \$166.0 million of outstanding debt to reduce our borrowing costs, improve our credit profile and position the company to fund future

growth opportunities.

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Increased Return to Stockholders

The company's total stockholder return, or TSR, was 30.5% in 2013, the 10th consecutive year of positive TSR. For the three year period ending December 31, 2013, our 63.6% TSR compared favorably to the approximately 56.8% TSR and 28.7% TSR of the S&P 500 Index and our peer group of companies, respectively; and We returned \$51.2 million of capital to stockholders through cash dividends and increased our regular quarterly cash dividend by 15.0% to \$0.115 per share.

A more detailed description of the company's fiscal year 2013 performance, including a reconciliation of non-GAAP financial measures and a graphical representation of the TSRs for the S&P 500 Index and our Peer Group Companies, can be found on pages 57-59 and page 31, respectively, in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, filed with the SEC on February 10, 2014.

Executive Compensation Program Best Practices

Our current executive compensation program includes features which we believe drive performance and excludes features we do not believe serve our stockholders' long-term interests. The table below highlights some of the Best Practices featured in our compensation program as well as the Problematic Pay Practices which are excluded.

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Included Features (What We Do)

- ii **Pay for Performance** Our NEOs receive the majority of their compensation in performance-based compensation (annual cash incentives and restricted stock units awarded based on company and individual performance).
- ii **Use of Peer Group Data and Tally Sheets** We utilize tally sheets annually when making executive compensation decisions, and periodically review comparative compensation data relative to our peer group of companies.
- ii **Stock Ownership Guidelines** Our executive officers are expected to hold a multiple of their base salaries in the company's common stock and non-employee directors are expected to hold a number of shares of the company's common stock having a value of at least \$200,000.
- ii **Anti-Hedging/Pledging Policy** Executive officers and directors are prohibited from engaging in transactions designed to hedge against the economic risks associated with an investment in our common stock or pledging our common stock in a margin account.
- ii **Risk Management** Our executive officers compensation program has been designed and is periodically reviewed to ensure that it does not encourage inappropriate risk-taking. See Compensation Risk Assessment section below for further discussion.

Excluded Features (What We Don't Do)

- x **No excise tax gross-ups** In February 2012, we eliminated provisions in the employment agreements of our CEO and other executive officers who were named executive officers at that time that provided for excise tax gross-up rights.
- x **No single trigger severance payments in employment agreements** In February 2012, we eliminated provisions in the employment

agreements of our CEO and other executive officers who were named executive officers at that time that provided severance payments to be made solely on account of the occurrence of a change in control event.

No guaranteed base salary increases, minimum bonuses or equity awards Our

- x NEO employment agreements do not provide for guaranteed base salary increases, minimum bonuses or equity awards.

No discounting of stock options or re-pricing or buyout of underwater options We

- x expressly prohibit the discounting of stock options and the re-pricing or cash buyouts of underwater options.

No dividends or dividend equivalents on

- x **unvested equity awards** We do not pay dividends on unvested equity awards.

Pay for Performance Compensation Mix

The company's compensation programs are designed to reward executives for achieving strong operational performance and delivering on the company's strategic initiatives, each of which are important to the long-term success of the company. The Compensation Committee believes that a significant portion of the compensation of our NEOs should be aligned with our stockholders' interests and directly linked to measurable performance. To evaluate the proportion of performance-based compensation for our NEOs, the Compensation Committee looks at recurring compensation by examining Total Direct Compensation earned by our NEOs. Total Direct Compensation is calculated by adding base salary, cash performance bonuses and the grant date fair value of stock awards reported under the Stock Awards column of our Summary Compensation Table. It excludes indirect compensation reported under the All Other Compensation column of our Summary Compensation Table.

As illustrated below, At-Risk Compensation, comprised of cash performance bonuses and equity-based compensation, made up approximately 75% of the Total Direct Compensation of our CEO, and 68% of the combined Total Direct Compensation of our other NEOs in 2013.

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Under our performance bonus programs, which are described in further detail below, we achieved a weighted-average of 99.2% of our NEOs' targeted performance goals in 2013 compared to 100.6% in 2012. As reflected in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table, this decrease in achievement of targeted performance goals resulted in an approximate 13.5% year-over-year reduction in 2013's combined cash performance bonuses from the prior year level for our NEOs.

Last Year's Say on Pay

The company provides its stockholders with an opportunity to cast an annual advisory vote with respect to its named executive officer compensation as disclosed in the company's annual proxy statement, or "say on pay" proposal (see Proposal 3 Advisory Vote on Named Executive Officer Compensation ("Say On Pay")). At last year's Annual Meeting of Stockholders, more than 96% of the shares that voted approved our named executive officer compensation program as described in last year's proxy statement. The Compensation Committee and the company viewed these results as a strong indication that the company's stockholders support the executive compensation policies of the company, which have remained substantially unchanged over the past several years. In light of this vote, the Compensation Committee and the company did not make any material changes to the company's executive compensation programs in fiscal 2013.

Recent Compensation Committee Actions to Further Align Pay with Performance

Consistent with our stockholders' support and the significant stockholder value creation over the years, the Compensation Committee decided to retain the core design of our executive compensation program in fiscal 2014. However, the company's management and Compensation Committee, with the input of the full Board of Directors and the Compensation Committee's independent compensation consultant, reviewed our executive compensation programs and made certain revisions to further align pay with performance. Subject to stockholder approval of our 2014 Incentive Award Plan, or the 2014 Plan (see Proposal 4 Approval of Adoption of 2014 Incentive Award Plan), the Compensation Committee intends to: (i) introduce performance share units with multi-year performance-based metrics for vesting hurdles as an additional component of our equity-based compensation to further enhance the existing link between executive compensation and the company's performance; and (ii) adjust our NEO equity compensation program to provide each NEO with a performance-based metric that must be met before an annual targeted restricted stock unit award, that is subject to a multi-year vesting period, may be earned.

Our Compensation Philosophy and Objectives

The Compensation Committee's philosophy with respect to the compensation of the NEOs does not differ materially from the philosophy that applies to other executive officers. The Compensation Committee believes that compensation paid to NEOs should be closely aligned with our performance on both a short-term and long-term basis, linked to specific, measurable results intended to create value for stockholders and should assist us in attracting and retaining key executives critical to our long-term success.

In establishing compensation for NEOs, the Compensation Committee's objectives are to:

Attract and retain individuals with superior leadership ability and managerial talent by providing competitive compensation and rewarding outstanding performance;

Ensure that NEO compensation is aligned with our corporate strategies, business objectives and the long-term interests of our stockholders;

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Provide an incentive to achieve key strategic and financial performance measures by linking incentive award opportunities to the achievement of performance goals in these areas; and

Provide a balanced approach to compensation policies and practices which does not promote excessive risk-taking.

Our overall compensation program is structured to attract and retain highly qualified executive officers by paying them competitively, consistent with our success. We believe that compensation should be structured to ensure that a significant portion is directly related to our stock's performance and other factors that directly and indirectly influence stockholder value. Accordingly, our approach to compensation is to provide a base salary, annual performance-based compensation tied to goals that are intended to link NEO compensation to our annual operating and financial performance, and long-term equity grants intended to align NEO compensation with stockholder returns and financial performance over a longer period and to aid in retention. The Compensation Committee allocates total compensation between cash and equity based on comparisons with other companies and the judgment of the Compensation Committee members. The balance between cash and equity compensation among NEOs and other members of the senior executive team is evaluated annually.

Approach to Compensation; Role of the Compensation Committee

The Compensation Committee has the primary authority for the consideration and determination of the compensation we pay to our executive officers and directors, including the amount of equity-based compensation. To aid the Compensation Committee in making its determination, the Chief Executive Officer meets with the Compensation Committee and provides recommendations annually to the Compensation Committee regarding the compensation of all executive officers, other than himself. The Compensation Committee is not bound to follow the Chief Executive Officer's recommendations. The Compensation Committee also holds executive sessions not attended by any members of management or non-independent directors. The Compensation Committee also has the authority to engage its own independent advisors to assist it in carrying out its duties.

The Compensation Committee meets in the first quarter of each fiscal year to review and approve:

The achievement of financial performance goals for the prior fiscal year and, if applicable, a multi-year period;
Performance-based compensation, if earned, based on such achievement for the prior fiscal year or multi-year period;

Annual equity-based compensation grants;

Financial goals for performance-based awards; and

The level and mix of NEO compensation for the current fiscal year.

In determining the level of base salary, performance-based compensation and long-term equity-based compensation paid to the NEOs, the Compensation Committee considers: (i) the compensation structure and practices of a peer group of companies that it believes are the company's leading competitors in the solid waste industry; (ii) a comparator group of companies, most of which are non-solid waste companies, with comparable financial profiles; and (iii) its own judgment as to an appropriate level of compensation for a company of our size and financial performance. From time to time, the Compensation Committee uses compensation consultants and comparator group analyses from third parties, such as ISS Corporate Services, to compare our compensation components and targets against median market levels.

For 2013, the Compensation Committee considered a tally sheet that included, for each officer (including the NEOs), current base salary, salary paid in 2012, bonus percentage, cash bonus paid in 2012, restricted stock units granted in 2012, the dollar amount of 401(k) and Nonqualified Deferred Compensation Plan matches in 2012, payments and reimbursements for various expenses that could be considered perquisites, the value realized from the exercise of options and sale of the underlying stock in 2012, the value of vested, unexercised options and unvested restricted

stock units as of the end of the year, and the amount payable to each officer under various severance scenarios, including on a change in control. In determining the amount of compensation for the NEOs, the Compensation Committee does not take into account amounts realized from

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prior equity-based compensation grants because the Compensation Committee seeks to provide compensation that takes into account the cost of replacing the NEOs on a market competitive basis and what is equitable based on our performance. We believe that, to some extent, appreciation reflected in the amounts realized from prior equity-based compensation grants confirms the Compensation Committee's success in aligning compensation with our stockholders' interests, thus validating our compensation philosophy.

We provide the Chief Executive Officer with greater compensation and benefits than the other NEOs to reflect his importance and value to us as well as the increased level of responsibility and risk faced by him as our Chief Executive Officer and Chairman. Mr. Mittelstaedt's compensation also differs as a direct result of the Compensation Committee's review of the comparator group compensation data, and reflects the competitive nature of compensation paid to chief executive officers of companies within the comparator group. The Compensation Committee believes that Mr. Mittelstaedt's competitive compensation package is important to reward, motivate and retain him as a highly valued chief executive whose leadership and strategic vision have helped create significant value for stockholders since our inception.

Role of the Compensation Consultant

The Compensation Committee periodically retains Pearl Meyer & Partners, or PM&P, a nationally known compensation consulting firm, to provide it with comparison group market data and information as to market practices and trends, to assess the competitiveness of the compensation we pay to our CEO and other executives, to compare the relative performance of the company against a comparator group of companies, to assist with the development of the Compensation Discussion and Analysis in the company's proxy statement, and to provide analysis on the compensation of our non-employee directors. The Compensation Committee retains PM&P directly, supervises all work assignments performed by them, and reviews and approves all work invoices received for payment. PM&P has not performed any other service for the company. As required under Item 407(e)(3) of Regulation S-K, the Compensation Committee annually assesses whether the work of PM&P raised any conflict of interest. No conflict of interest was determined to exist with respect to PM&P's services as a compensation consultant during the last fiscal year.

PM&P's 2011 Engagement

In fiscal 2011, the Compensation Committee retained PM&P to (i) perform an executive compensation analysis to re-evaluate the competitiveness of our executive compensation program given the growth of our company, in terms of revenue and enterprise value, since PM&P's previous analysis in 2009; and (ii) assist in negotiating amendments to the terms of our NEOs' then-current employment agreements to remove certain single-trigger change in control provisions, update non-compete provisions and eliminate any excise tax gross-up rights.

While the Compensation Committee does not specifically benchmark our compensation to a comparator group, it periodically analyzes the compensation practices of a comparator group of companies to assess the company's competitiveness. In doing so, it takes into account factors such as the relative size and financial performance of those companies and factors that differentiate us from them.

In 2011, PM&P analyzed the market competitiveness compared to market consensus data of the following components for each of our NEOs at that time:

Base salary;
Target total annual compensation (base salary plus cash performance bonuses); and

Target total direct compensation (total annual compensation plus equity-based compensation).

Following this analysis and discussions with the Compensation Committee and management, PM&P established a comparator group consisting of the following companies: Chicago Bridge & Iron Company; Cintas Corporation; Clean Harbors Inc.; Covanta Holding Corporation; EnergySolutions, Inc.; Iron Mountain, Inc.; J.B. Hunt Transport Services, Inc.; LKQ Corporation; Martin Marietta Materials, Inc.; MSC Industrial Direct Co.; Progressive Waste Solutions; Quanta Services, Inc.; Rollins, Inc.; RSC Holdings Inc.; Stericycle, Inc.; United Rentals, Inc.; and Vulcan Materials Company. Two solid waste services companies, Republic Services, Inc. and Waste Management, Inc., were included as additional reference companies, but were not included in determining the range of compensation among the comparator group of companies. The

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Compensation Committee selected the comparator group companies because they: (i) were businesses in the environmental, facilities services, distribution and construction industries; and (ii) had size and expenditures (enterprise value, free cash flow, capital expenditures and revenues) similar to Waste Connections.

In addition to publicly available proxy statement information for the comparator group companies, PM&P also incorporated four sources of general industry survey data: the William M. Mercer 2011 Executive Compensation Survey, the Watson Wyatt 2010/2011 Top Management Compensation Survey and two PM&P confidential/proprietary general industry surveys, for compensation practices for companies with revenue ranging from \$1 billion to \$2.5 billion. The Compensation Committee was not aware of the participating companies in the general industry surveys and reviewed the data in a summarized fashion. Using a weighted average of 50% for the comparator group data and 12.5% for each of the four sources of general industry survey data, PM&P then calculated market consensus data for each NEO position by matching each of our NEO positions, based on PM&P's understanding of the position's primary duties and responsibilities, to a similar position within PM&P's market consensus data.

The 2011 PM&P study found that the company had achieved strong financial performance (on revenue growth, EBITDA growth, net income growth, free cash flow growth and total stockholder return) over the past five years exceeding the 50th percentile of its comparator group with target compensation levels positioned below the 50th percentile, while actual compensation levels in 2011 were closer to the 50th percentile due to above target payouts of performance-based incentive compensation.

PM&P's 2013 Engagement

In fiscal 2013, the Compensation Committee retained PM&P to review the introduction of a performance-based equity award program, including the overall structure of a proposed program and the company's long-term incentive compensation mix compared to the company's comparator group companies and an ISS-selected peer group. Subject to stockholder approval of the 2014 Plan (see Proposal 4 Approval of Adoption of 2014 Incentive Award Plan), the Compensation Committee intends to: (i) introduce performance share units with multi-year performance-based metrics for vesting hurdles as an additional component of our equity-based compensation to further enhance the existing link between executive compensation and the company's performance; and (ii) adjust our NEO equity compensation program to provide each NEO with a performance-based metric that must be met before an annual targeted restricted stock unit award, that is subject to a multi-year vesting period, may be earned.

PM&P's Expected 2014 Engagement

In fiscal 2014, the Compensation Committee expects to retain PM&P to review and revise the company's comparator group, as circumstances warrant, and re-assess the competitiveness of our executive compensation against such group of companies and any other relevant industry data.

Elements of Compensation

The Compensation Committee believes that a significant portion of the compensation of our NEOs should be aligned with our stockholders' interests and directly linked to performance. While the percentage of our NEOs' total compensation that is comprised by each component of our pay mix (base salary, performance bonuses, and equity-based compensation) is not specifically determined, the Compensation Committee generally targets performance bonuses and equity-based compensation for our NEOs to constitute between 65% and 75% of total direct compensation should annual performance targets be attained, which is consistent with market consensus data. The

Compensation Committee has complete discretion to determine compensation levels.

Base Salary. Our compensation program includes base salaries to compensate executive officers for services rendered each year. Base salaries provide a secure base of compensation that is not dependent on our performance and is in an amount that recognizes the role and responsibility of each executive officer, as well as such executive's experience, performance and contributions. We also believe this element is beneficial in attracting and retaining high-performing and experienced executives.

The Compensation Committee considers base salary increases for certain of our executives annually. In 2011, the PM&P study presented to the Compensation Committee showed that our executive officer base

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salaries fell below the 25th percentile of base salaries of similarly situated executives reported in the PM&P market consensus data. The Compensation Committee determined that, in order for us to remain competitive in attracting and retaining executive talent, executive officer base salaries should be adjusted to approximately the median of the PM&P market consensus data. However, in order to prevent large swings and to allow the Compensation Committee to take into account other factors such as performance and overall total compensation, the Compensation Committee determined to implement the adjustment towards the median over a period of three years. In line with this approach, the Compensation Committee approved the following base salaries for our NEOs in 2013:

Name	Annual Base Salary
Ronald J. Mittelstaedt	\$ 833,000
Worthing F. Jackman	\$ 438,000
Steven F. Bouck	\$ 548,000
Darrell W. Chambliss	\$ 422,000
James M. Little	\$ 335,000

In early 2014, consistent with its approach of adjusting towards the median of the market consensus data, the Compensation Committee provided our NEOs with similar base salary increases to those they received in 2013. As discussed above, the Compensation Committee expects to retain PM&P during 2014 to review and revise the company's comparator group, as circumstances warrant, and re-assess the competitiveness of our executive compensation against such group of companies and any other relevant industry data.

Performance Bonuses. Our compensation program includes a performance bonus to reward executive officers based on our performance and the individual executive's contribution to that performance. Under our Amended and Restated Senior Management Incentive Plan (the "Amended SMIP"), each participant has an opportunity to earn an annual performance bonus based on a targeted percentage of the participant's annual base salary for the year. The objective of the annual performance bonus is to provide participants with an incentive to manage the company to achieve certain targeted levels of financial performance based on budgeted revenue each year. See "Amended and Restated Senior Management Incentive Plan" section below for further discussion of the NEOs' performance bonuses.

Equity-Based Compensation. We believe that equity ownership in our company is important to tie the ultimate level of an executive officer's compensation to the performance of our stock while creating an incentive for sustained growth and employee retention. To meet these objectives, our NEOs receive equity-based compensation.

Since 2007, the Compensation Committee has only granted restricted stock unit awards to our NEOs; no stock options have been granted to our NEOs since 2006. The Compensation Committee believes that the use of restricted stock unit awards reduces the overall compensation cost to us compared to the cost of granting options at levels intended to convey similar value, yet offers our NEOs a competitive and more stable level of equity-based compensation, providing them the opportunity to be owners of and to share in the success of the company. In 2013, our restricted stock unit grants for our NEOs were authorized and made on February 25, 2013, and vest in equal increments annually over four years. See "Equity-Based Compensation" section below for further discussion of the NEOs' equity-based compensation.

Amended and Restated Senior Management Incentive Plan

Under the Amended SMIP, designated senior executives of the company are eligible to receive performance bonus payments and equity-based compensation. In 2013, each participant had the opportunity to earn up to 200% of his targeted performance bonus based on our achievement of certain targeted levels of financial performance established by the Compensation Committee and based on recommendations of the Chief Executive Officer. Each targeted performance goal is weighted in order to calculate an overall percentage achievement against targeted performance goals; the resulting percentage is then used as a multiplier to determine the annual performance bonus earned.

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The performance goals for 2013, which the Compensation Committee adopted in March 2013, were measured against achievement of targeted levels of: (1) EBITDA, weighted at 20%; (2) operating income, or EBIT, weighted at 20%; (3) operating income as a percentage of revenue, or EBIT Margin, weighted at 30%; and (4) net cash provided by operating activities as a percentage of revenue, or CFFO Margin, weighted at 30%. Because the operating budget adopted by the Board of Directors is a compilation of stretch goals set for each operating location, the targeted performance goals reflect a percentage or factor of the final budget, as set forth below:

	Original 2013 Budget	2013 Factor	2013 Targeted Performance Goal
EBITDA	\$688.2M	96.0%	\$660.7M
EBIT	\$440.8M	96.0%	\$423.2M
EBIT Margin	22.7%	N/A	21.8%
CFFO Margin	26.4%	97.0%	25.6%

Under the terms of the Amended SMIP, the Compensation Committee, in its complete and sole discretion, may adjust the targeted performance goals if an acquisition, significant new contract or extraordinary event results in a significant impact relative to the goals in order to take account of the impact of that acquisition, contract or event. For these purposes, the Compensation Committee determines operating income, or EBIT, by adjusting for any gains or losses on disposal of assets, and determines EBITDA by adding depreciation and amortization to operating income. The

Compensation Committee chose these measures of performance because they are widely used by investors as valuation measures in the solid waste industry and because the targeted goals encourage improving free cash flow and returns on invested capital.

For 2013, the target bonuses were set at 115% of the Chief Executive Officer's base salary and 75% of the base salary of each of the other participants, and a multiplier is used so that if the company achieves 100% of its target, the participants receive 100% of their performance bonuses. These percentages have remained unchanged since 2010. The multiplier may result in the participants being paid a greater or lesser percentage of their targeted performance bonuses (from 200% to 0%), based on their position and whether the company's performance is greater or less than 100% of the target, in accordance with the following sliding scale, with interpolation to the extent achievement is between listed achievement:

% Target Achievement	Target % Multiplier	Bonus as % of Base Salary	
		CEO	Other Participants
105% or Higher	200 %	230 %	150 %
104%	180 %	207 %	135 %
103%	160 %	184 %	120 %
102%	140 %	161 %	105 %
101%	120 %	138 %	90 %
100%	100 %	115 %	75 %
99%	80 %	92 %	60 %
98%	60 %	69 %	45 %
97%	40 %	46 %	30 %
96%	20 %	23 %	15 %
95%	0 %	0 %	0 %

Payments under this program are contingent on continued employment at the time of payout, subject to the terms of any applicable employment agreements.

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Adjusted targeted performance goals and adjusted results and corresponding target percentages for 2013 were as follows:

	Adjusted Target ⁽¹⁾	Actual Results ⁽¹⁾	Actual Results as % of Target	Weighting	Target Achievement
EBITDA	\$666.1M	\$654.0M	98.2%	20%	19.6%
EBIT	\$429.9M	\$410.2M	95.4%	20%	19.1%
EBIT Margin	22.0%	21.3%	96.8%	30%	29.0%
CFFO Margin	25.6%	26.9%	104.9%	30%	31.5%
Overall Achievement					99.2%

The Compensation Committee adjusted the targets and results for 2013 to reflect the impact of certain (1) acquisition-related items, including working capital management, expenses incurred in connection with the relocation of the corporate headquarters from California to Texas and loss on disposal of assets. We achieved a weighted-average of 99.2% of our NEOs' targeted performance goals in 2013 compared to 100.6% in 2012. This decrease in achievement of targeted performance goals resulted in an approximate 13.5% year-over-year reduction in 2013's combined cash performance bonuses from the prior year level for our NEOs. For 2013, bonuses based upon overall target achievement and actual annual performance bonuses as a percentage of each participant's annual base salary were as follows:

Name	Target Achievement Bonus % of Base Salary	Actual Bonus % of Base Salary
Ronald J. Mittelstaedt	97%	97%
Worthing F. Jackman	63%	63%
Steven F. Bouck	63%	63%
Darrell W. Chambliss	63%	63%

Actual annual incentive bonus amounts earned by the NEOs for 2013 under the Amended SMIP are reflected in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table.

In lieu of paying an annual performance bonus in cash, the Compensation Committee, in its complete and sole discretion, may choose to pay the annual performance bonus in restricted stock units issued under our Third Amended and Restated 2004 Equity Incentive Plan or any succeeding plan we adopt. If restricted stock units are issued, their value, as determined by the Compensation Committee, will be at least 125% of the earned cash bonus to compensate for the risk and vesting period associated with the underlying stock. All 2013 bonuses paid pursuant to the Amended SMIP were paid in cash.

On March 18, 2014, the Compensation Committee approved our annual cash-based incentive bonus program under the 2014 Plan that is substantially similar to the program used in 2013, subject to stockholder approval of the 2014 Plan (see Proposal 4 Approval of Adoption of 2014 Incentive Award Plan).

Management Incentive Compensation Program

Mr. Little is not a participant in the Amended SMIP. Mr. Little participates in the company's Management Incentive Compensation Program for corporate and region officers (the MICP), which is a discretionary program administered by the Compensation Committee that is generally funded based upon our achievement of the same four financial metrics described above for the Amended SMIP as general guidelines for the Compensation Committee to determine the actual bonus payouts. Under the MICP, however, the Compensation Committee retains the discretion to adjust the bonus pool used for the program based upon any additional factors it determines necessary or appropriate and the goals under the MICP are not communicated to participants in advance. Under the terms of the MICP for 2013, Mr. Little's target bonus level was 50% of his annual base salary. Actual bonuses paid under the MICP are established by the Compensation Committee in its sole discretion, based on the general guidelines of the MICP, and are contingent on continued employment at the time of payout. For 2013, Mr. Little's actual bonuses equaled approximately 51% of his

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base salary, representing achievement of 100% of his targeted annual bonus. The actual annual incentive bonus amount earned by Mr. Little for 2013 is shown in the Bonus column of the Summary Compensation Table.

Exercise of Discretion in Executive Compensation Decisions

The Compensation Committee has complete discretion to withhold payment pursuant to any of our incentive compensation plans irrespective of whether we or our NEOs have successfully met the goals set under these plans. The Compensation Committee did not elect to withhold payment of any amounts under our incentive compensation plans with respect to the NEOs during 2013.

Equity-Based Compensation

Under the Amended SMIP, each participant also receives an annual long-term incentive grant of restricted stock units based on the subjective determination of the Compensation Committee of the performance of both the company and the individual during the fiscal year preceding the year in which such equity awards are granted and the objectives to maintain total market competitiveness related to the comparator group and to create an incentive for sustained growth and employee retention. Such restricted stock units are subject to a four-year vesting schedule approved by the Compensation Committee. While market competitiveness is an overall guideline, individual target opportunities may vary based on the Compensation Committee's consideration of other factors, as discussed above. The size of the grant is targeted at approximately 200% of current base salary for Mr. Mittelstaedt and 150% of current base salary for Messrs. Jackman, Bouck and Chambliss. For 2013, the size of the grant for Mr. Mittelstaedt was approximately 202% of his base salary, the size of the grant for Mr. Jackman was approximately 176% of his base salary, reflecting Mr. Jackman's significant contributions to the Company's continuing success, and the size of the grants for Messrs. Bouck and Chambliss was approximately 152% of their respective base salaries. Mr. Little, who does not participate in the Amended SMIP, received a grant in 2013 that was approximately 129% of his base salary, based on the same factors considered for the participants under the Amended SMIP. See the Grant of Plan Based Awards in Fiscal Year 2013 table for the amount of equity awards granted to each of the NEOs in 2013.

On March 18, 2014, the Compensation Committee approved grants of performance-based restricted stock unit awards to each NEO with a three-year performance period (the 2014-2016 PSUs), subject to stockholder approval of the 2014 Plan (see Proposal 4 Approval of Adoption of 2014 Incentive Award Plan). Each participant has the opportunity to earn up to 150% of the target number of shares subject to the 2014-2016 PSUs based on achievement of a return on invested capital, or ROIC, goal and an EBITDA growth goal, each of which is weighted 50%.

Stock Ownership Guidelines

To further align management and stockholder interests and discourage inappropriate or excessive risk-taking, our Compensation Committee has established stock ownership guidelines for our executive officers. The current minimum ownership thresholds are as follows:

- For the Chief Executive Officer, five times such participant's base salary;
- For the President, four times such participant's base salary;
- For Executive Vice Presidents, three times each such participant's base salary;
- For Senior Vice Presidents, two times each such participant's base salary; and
- For Vice Presidents, one times each such participant's base salary.

Once an executive officer has acquired a number of company shares that satisfies the ownership multiple then applicable to him or her, such number of shares then becomes his or her minimum ownership requirement (even if the officer's salary increases or the fair market value of such shares subsequently changes) until he or she is promoted to a higher level. Notwithstanding the foregoing, once an individual is determined to be in compliance with the ownership guidelines as of the assessment date, he or she shall be deemed to remain in compliance, regardless of any subsequent stock price fluctuations, as long as such individual maintains ownership of at least the same number of shares as that required as of the assessment date for which he or she was previously compliant.

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Each executive officer is expected to attain the applicable stock ownership threshold under the guidelines within five years following the later of (i) the first annual assessment with respect to such individual or (ii) the first annual compliance assessment at which a higher stock ownership multiple becomes applicable to such individual (due to a promotion or otherwise). The five-year phase-in period is intended to permit gradual accumulation of the incremental ownership associated with a new or higher multiple. For purposes of the calculation, shares deemed beneficially owned by the executive officer within the meaning of the rules of the SEC, as well as shares of restricted stock or RSUs subject to time-based vesting held by an executive officer, and vested or time-based unvested RSUs or resulting shares deposited into a deferred compensation plan or arrangement, are included in the calculation of the amount of such individual's ownership.

As of the date of this proxy statement, all of our executive officers exceeded the requirements of our stock ownership guidelines.

Timing of Equity Awards

The Compensation Committee generally makes company-wide annual grants of equity-based compensation to our executive officers and other employees in late January or in February following the public release of year-end financial results and outlook for the upcoming year. This timing coincides with a number of events that make that timing optimum from the Compensation Committee's standpoint: first, the Compensation Committee has available financial results from the previous year; and second, making the grants at this time allows management to notify employees of the amount of their annual grant award at or around the same time that management notifies employees of the amount of their cash performance bonus with respect to the previous year, which we typically pay in February.

Anti-Hedging/Pledging Policy

We have adopted a policy which prohibits executive officers and directors from engaging in transactions designed to hedge against the economic risks associated with an investment in our common stock or pledging our common stock in a margin account. These individuals may not engage in the purchase or sale of put and call options, short sales and other hedging transactions designed to minimize the risk of owning our common stock. In addition, these individuals may not pledge shares of our common stock as collateral for a margin account.

Other Benefits

We provide certain limited benefits to our employees, including the NEOs, to fulfill particular business purposes. In general, these benefits make up a very small percentage of total compensation for the NEOs.

401(k) Plan. The NEOs are entitled to participate in a company-sponsored 401(k) profit sharing plan on the same terms as all employees. We make matching contributions of 50% of every dollar of a participating employee's pre-tax and Roth contributions until the employee's contributions equal five percent of the employee's eligible compensation, subject to certain limitations imposed by the United States Internal Revenue Code, or the IRC. Employees are eligible to participate in the 401(k) plan beginning on the June 1 or December 1 first following completion of one full year of employment. Our matching contributions vest over five years. Beginning in 2014, we raised our matching contributions of 50% of every dollar from five percent to six percent of a participating employee's eligible compensation, reduced the vesting period from five years to four years, and provided that employees are eligible to participate in the 401(k) plan beginning on the first day of the month following completion of sixty days of employment.

Deferred Compensation Plan. We provide NEOs and certain other highly compensated employees the opportunity to defer receiving income until after they terminate their employment. This benefit offers tax advantages to eligible executives, permitting them to defer payment of their compensation and defer taxation on that compensation until after termination. We put the plan in place to mitigate the impact of our officers and other highly compensated employees being unable to make the maximum contribution permitted under the 401(k) plan due to certain limitations imposed by the IRC. We make a matching contribution of 50% of every dollar of a participating employee's pre-tax eligible contributions until the employee's contributions equal five percent of the employee's eligible compensation, less the amount of any match we make on behalf of the employee under the company-sponsored 401(k) plan, and subject to certain deferral limitations imposed by the

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IRC on 401(k) plans, except that our matching contributions are 100% vested when made. The deferred compensation plan is described under the heading Nonqualified Deferred Compensation in Fiscal Year 2013. Beginning in 2014 and similar to changes in the 401(k) Plan, we raised our matching contributions of 50% of every dollar from five percent to six percent of a participating employee's pre-tax eligible compensation, less the amount of any match we make on behalf of the employee under the company-sponsored 401(k) plan.

Other. We also offer a number of benefits to the NEOs pursuant to benefit programs that provide for broad-based employee participation. In addition to the 401(k) plan described above, the benefits include medical, prescription drugs, dental and vision insurance, long-term disability insurance, life and accidental death and dismemberment insurance, health and dependent flexible spending accounts, a cafeteria plan and employee assistance benefits. These generally available benefits do not specifically factor into decisions regarding an individual executive's total compensation or equity-based compensation package. These benefits are designed to help us attract and retain employees as we compete for talented individuals in the marketplace, where such benefits are commonly offered.

Perquisites and Other Personal Benefits

The material components of our NEOs' compensation are described above. However in fiscal 2012, we relocated our corporate headquarters from Folsom, California to The Woodlands, Texas. In connection with the relocation, we established a company-wide relocation program for all employees. The company's relocation program includes home marketing assistance to help sell an employee's home, a guaranteed purchase offer, a directed offer above appraised value benefit, home purchase assistance, reimbursement of certain out-of-pocket expenses related to relocating and certain home sale expenses, shipment of household goods, temporary living allowance for relocation costs and tax gross-ups for certain relocation benefits. These relocation benefits are available to all employees, including our NEOs, who relocated from our previous headquarters in Folsom, California to our new headquarters in The Woodlands, Texas, and are subject to a five-year repayment obligation under which the employee may be required to refund to the company all or a portion of the moving and relocation expenses the company reimburses to the employee or pays for the employee in the event of certain terminations of employment before the expiration of the five-year repayment period.

The company engaged the services of an independent relocation company (the Provider) to provide the relocation and related services. Pursuant to the guaranteed purchase offer provision of the relocation program, the Provider offers to purchase an employee's former residence at a purchase price equal to the average of two independent appraisals of the property (or if there is more than a 5% variance between the two appraised values, the average of the two out of three closest appraisal values) or equal to an independent third-party offer. Pursuant to the directed offer above appraised value provision of the relocation program, the company may, in its sole discretion and subject to applicable laws, direct the Provider to provide an employee with assistance to complete his or her home sale in a situation where the home appraises for less than a value agreed to by the company given the facts and circumstances surrounding the sale. The company will reimburse the Provider for all expenses, including any losses from the resale of the residence to a third-party buyer, and the company will receive the gains from the resale of the residence, if the resale price is greater than the price the Provider paid for the property.

For more information about the relocation benefits provided to our named executive officers, see the Summary Compensation Table and the accompanying footnotes. Perquisites are valued at the incremental cost to the company.

Clawback Provisions

We do not currently have a policy requiring a fixed course of action with respect to compensation adjustments following later restatements of financial results beyond what is required under the Sarbanes-Oxley Act. Under those circumstances, the Compensation Committee would evaluate whether compensation adjustments are appropriate based upon the facts and circumstances surrounding the restatement. Under the Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, the stock exchanges and the SEC have been directed to adopt rules that would require companies to adopt a policy to recover certain

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compensation in the event of a material accounting restatement. We expect to adopt a policy as required by the Dodd-Frank Act when final regulations have been provided by the SEC and the New York Stock Exchange.

Tax Deductibility Considerations

Section 162(m) of the IRC generally disallows an income tax deduction to publicly held corporations for compensation in excess of \$1,000,000 paid for any fiscal year to the corporation's covered employees, which is defined in Section 162(m) as the Chief Executive Officer and the three other most highly compensated executive officers, other than the Chief Financial Officer. However, the statute exempts qualifying performance-based compensation from the deduction limit if certain requirements are met. The Compensation Committee believes that, in establishing compensation plans and arrangements for our executive officers, the potential deductibility of the compensation payable under those plans and arrangements should be only one of a number of relevant factors taken into consideration, and not the sole governing factor. For that reason, in certain situations, the Compensation Committee may approve compensation that will not meet qualifying performance-based compensation requirements in order to assure competitive total compensation for the executive officers.

Severance and Change in Control Arrangements

The Compensation Committee believes that the company's current and historic successes are due in large part to the leadership, skills and performance of the NEOs, and that it is critical to maintain the stability of the company by providing severance and change in control benefits in order to encourage NEO retention through a change in control.

On February 13, 2012, we entered into a new Separation Benefits Plan and Employment Agreement with Mr. Mittelstaedt (the CEO Separation Benefits Plan), and a Separation Benefits Plan under which eligible executives, including our NEOs (other than Messrs. Mittelstaedt and Little) may receive certain severance and change in control benefits (the NEO Separation Benefits Plan, together with the CEO Separation Benefits Plan, the Separation Benefits Plans). The CEO Separation Benefits Plan superseded and replaced the employment agreement of Mr. Mittelstaedt, dated March 1, 2004, as amended, and the NEO Separation Benefits Plan and related participation letters superseded the employment agreements of Messrs. Jackman, Bouck, and Chambliss, dated as of April 11, 2003, October 1, 2004 and June 1, 2000, respectively. Mr. Little's employment agreement, which was executed in September 1999, provides that Mr. Little may receive certain severance and change in control benefits. The specific terms of the Severance Benefits Plans and provisions regarding severance and change in control for Mr. Little's agreement are described below under Potential Payments Upon Termination or Change in Control.

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Compensation Committee Report

The Compensation Committee of the Board of Directors has reviewed and discussed with management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K. Based on the review and discussions referred to above, the Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be incorporated into both our Annual Report on Form 10-K and Proxy Statement on Schedule 14A for the fiscal year ended December 31, 2013.

This report is submitted on behalf of the Compensation Committee.

William J. Razzouk, Chairman
Edward E. Ned Guillet
Michael W. Harlan

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COMPENSATION RISK ASSESSMENT

We believe our compensation policies and practices do not present any risk that is reasonably likely to have a material adverse effect on the company. We believe our approach to setting performance targets, evaluating performance, and establishing payouts does not promote excessive risk-taking. We believe that the components of our pay mix — base salary, annual cash incentive bonuses, and long-term equity grants — appropriately balance near-term performance improvement with sustainable long-term value creation.

We considered the following elements of our compensation policies and practices when evaluating whether such policies and practices encourage our employees to take unreasonable risks:

annual performance targets are established by each operating location and region and on a company-wide basis to encourage decision-making that is in the best long-term interests of both the company and our stockholders;

we adjust performance targets to exclude the benefit or detriment of extraordinary events to ensure our employees are compensated on results within their control or influence;

we adjust performance targets to include certain acquisitions and new contracts not reflected in the originally approved operating budget in order to achieve targeted returns on deployed capital;

we set annual performance goals to avoid targets that, if not achieved, result in a large percentage loss of compensation;

payouts under our performance-based plans remain at the discretion of our Board of Directors and may be reduced even if targeted performance levels are achieved;

payouts under our performance-based plans can result in some compensation at levels below full target achievement, rather than an all-or-nothing approach;

our NEOs receive annual cash incentive bonus awards only after cash incentive bonus awards payable to other employees have been made;

we use restricted stock units rather than stock options for equity awards because restricted stock units retain value even in a depressed market so that recipient employees are less likely to take unreasonable risks to get, or keep, options in-the-money ;

equity-based compensation with time-based vesting over four years accounts for a time horizon of risk and ensures that participating employee interests are aligned with the long-term interests of our stockholders;

stock ownership guidelines require members of our Board of Directors and our executive officers to maintain certain ownership levels in our common stock, which aligns a portion of their personal wealth to the long-term performance of the company;

we have adopted a policy which prohibits members of our Board of Directors and our executive officers from engaging in transactions designed to hedge against the economic risks associated with an investment in our common stock or pledging our common stock in a margin account; and

our Compensation Committee periodically utilizes an independent compensation consultant that performs no other services for the company.

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SUMMARY COMPENSATION TABLE

The following table summarizes the total compensation earned by each of our NEOs in 2013, 2012 and 2011. The amounts set forth in the **Stock Awards** column include one-time equity grants in 2012 of shares of company stock to Messrs. Mittelstaedt, Bouck, Jackman and Chambliss made by the Compensation Committee of our Board of Directors at the time each of those NEOs and the company entered into the CEO Plan or Participation Letter Agreement, as applicable. For Messrs. Bouck and Jackman, the amounts for 2013 set forth in the **All Other Compensation** column include company-wide relocation benefits received by them in 2013 in connection with the relocation of our headquarters from California to Texas. Except for Messrs. Chambliss and Little, the amounts for 2012 set forth in the **All Other Compensation** column include company-wide relocation benefits received by the NEOs in 2012 in connection with the relocation of our headquarters from California to Texas.

- (1) 2013 was the first year in which Mr. Little was a named executive officer.
- (2) Amounts shown reflect salary earned by the NEOs for each year indicated and reflect increases that the NEOs, other than Mr. Little, received on January 1, 2013, and that Mr. Little received on February 1, 2013. Stock awards consist of restricted stock units granted under our Third Amended and Restated 2004 Equity Incentive Plan. Amounts shown do not reflect compensation actually received by the NEO. Instead, the amounts shown are the grant date fair value of the 2013 awards computed in accordance with generally accepted accounting principles, excluding estimates of forfeitures related to service-based vesting conditions. A discussion of the value of stock awards is set forth under Note 1 of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, filed with the SEC on February 10, 2014.
- (3) Amounts shown reflect annual incentive bonus awards earned by the NEOs under our Amended SMIP, which is discussed elsewhere in this proxy statement, under **Compensation Discussion and Analysis**. The amounts shown for 2013 were paid on February 14, 2014.
- (4)

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We make available for business use to our NEOs and other employees a private aircraft. Our general policy is not to permit employees, including the NEOs, to use the aircraft for purely personal use. Occasionally, employees or their relatives or spouses, including relatives or spouses of the NEOs, may derive personal benefit from travel on our aircraft incidental to a business function, such as when an NEO's spouse accompanies the officer to the location of an event the officer is attending for business purposes. For purposes of our Summary Compensation Table, we value the compensatory benefit to the officer at the incremental cost to us of conferring the benefit, which consists of additional catering and fuel expenses. In the example given, the incremental cost would be nominal because the aircraft would have been used to travel to the event, and the basic costs of the trip would have been incurred, (5) whether or not the NEO's spouse accompanied the officer on the trip. However, on the rare occasions when we permit an employee to use the aircraft for purely personal use, we value the compensation benefit to such employee (including NEOs) at the incremental cost to us of conferring the benefit, which consists of the average weighted fuel expenses, catering expenses, trip-related crew expenses, landing fees and trip-related hangar/parking costs. Since our aircraft is used primarily for business travel, the valuation excludes the fixed costs that do not change based on usage, such as pilots' compensation, the lease expense of the aircraft and the cost of maintenance. Our valuation of personal use of aircraft as set forth in this proxy statement is calculated in accordance with SEC guidance, which may not be the same as valuation under applicable tax regulations.

In 2013, All Other Compensation paid to our NEOs consisted of the following amounts:

(1) Amounts shown are paid by the company in connection with life insurance policies made available to all participants in our Nonqualified Deferred Compensation Plan, including the NEOs.

Jackman. During fiscal 2013, pursuant to the company-wide relocation benefits program available to all (2) employees that relocated from California to Texas due to the relocation of our headquarters, Mr. Jackman received \$15,082 related to relocation expenses, including \$4,125 in tax gross-ups related to those expenses.

Bouck. During fiscal 2013, pursuant to the company-wide relocation benefits program available to all employees that relocated from California to Texas due to the relocation of our headquarters, Mr. Bouck received \$9,620 related to relocation expenses, including \$2,545 in tax gross-ups related to those expenses.

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GRANTS OF PLAN BASED AWARDS IN FISCAL YEAR 2013

The following table summarizes the amount of awards under the Amended SMIP and equity awards granted in 2013 for each of the NEOs.

The target incentive amounts shown in this column reflect our annual incentive bonus plan awards provided under the Amended SMIP and represent the target awards pre-established as a percentage of salary. The maximum is the (1) greatest payout which can be made if the pre-established maximum performance level is met or exceeded. Actual annual incentive bonus amounts earned by the NEOs for 2013 under the Amended SMIP are reflected in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table.

Stock awards consist of restricted stock units granted under our Third Amended and Restated 2004 Equity (2) Incentive Plan on February 25, 2013. The units vest in equal, annual installments over the four-year period following the date of grant, beginning on the first anniversary of the date of grant.

The value of a stock award is based on the fair value as of the grant date of such award computed in accordance with generally accepted accounting principles, excluding estimates of forfeitures related to service-based vesting (3) conditions. A discussion of the value of stock awards is set forth under Note 1 of the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, filed with the SEC on February 10, 2014.

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OUTSTANDING EQUITY AWARDS AT 2013 FISCAL YEAR-END

The following table summarizes unexercised options and restricted stock units that have not vested and related information for each of our NEOs as of December 31, 2013.

Name	Option Awards		Option Expiration Date	Stock Awards	
	Number of Securities Underlying Unexercised Options (\$ Exercisable (#)	Exercise Price		Number of Shares or Units of Stock That Have Not Vested (#) ⁽¹⁾	Market Value of Shares or Units of Stock That Have Not V