Con-way Inc.
Form DEF 14A
March 14, 2008
Table of Contents

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of

the Securities Exchange Act of 1934

Filed by the Registrant x

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))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

Con-Way 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):

x No fee required.

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

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

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

Notice of Annual Meeting

and

Proxy Statement

Annual Meeting of Shareholders

APRIL 22, 2008

CON-WAY INC.

Table of Contents

CON-WAY INC.

2855 CAMPUS DRIVE, SUITE 300
SAN MATEO, CALIFORNIA 94403

TELEPHONE: 650/378-5200

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Tuesday, April 22, 2008

9:00 A.M., local time

Greenville Suite, Hotel du Pont, 11th and Market Streets, Wilmington, Delaware

FELLOW SHAREHOLDER:

The Annual Meeting of Shareholders of Con-way Inc. will be held at 9:00 A.M., local time, on Tuesday, April 22, 2008, to:

1. Elect four Class II directors for a three-year term.
2. Ratify the appointment of auditors.
3. Act upon a shareholder proposal, if properly presented at the meeting.
4. Transact any other business properly brought before the meeting.

Shareholders of record at the close of business on March 3, 2008, are entitled to notice of and to vote at the meeting.

Your vote is important. Whether or not you plan to attend, I urge you to **SIGN, DATE AND RETURN THE ENCLOSED WHITE PROXY CARD IN THE ENVELOPE PROVIDED,** in order that as many shares as possible will be represented at the meeting. If you attend the meeting and prefer to vote in person, you will be able to do so and your vote at the meeting will revoke any proxy you may submit.

Sincerely,

/s/ Jennifer W. Pileggi

JENNIFER W. PILEGGI
Secretary

March 14, 2008

Table of Contents

TABLE OF CONTENTS

Table of Contents

CON-WAY INC.

2855 CAMPUS DRIVE, SUITE 300

SAN MATEO, CALIFORNIA 94403

TELEPHONE: 650/378-5200

Important Notice Regarding the Availability of Proxy Materials

for the Shareholder Meeting to be Held on April 22, 2008

The proxy statement and annual report, including Form 10-K,

are available at: *http://investors.con-way.com*

Also available on the Web site are the Company s proxy card, as well as instruction cards and related materials for voting shares of common and preferred stock held in the Company s 401(k) plans.

PROXY STATEMENT

March 14, 2008

The Annual Meeting of Shareholders of Con-way Inc. (the Company) will be held on Tuesday, April 22, 2008. Shareholders of record at the close of business on March 3, 2008 will be entitled to vote at the meeting. This proxy statement and accompanying proxy are first being sent to shareholders on or about March 14, 2008.

Board of Directors Recommendations

The Board of Directors of the Company is soliciting your proxy for use at the meeting and any adjournment or postponement of the meeting. The Board recommends a vote FOR the election of the nominees for directors described below, FOR ratification of the appointment of KPMG LLP as independent auditors, and AGAINST the shareholder proposal set forth in this proxy statement.

Proxy Voting Procedures

To be effective, properly signed proxies must be returned to the Company prior to the meeting. The shares represented by your proxy will be voted in accordance with your instructions. However, if no instructions are given, your shares will be voted in accordance with the recommendations of the Board.

Voting Requirements

A majority of the votes attributable to all voting shares must be represented in person or by proxy at the meeting to establish a quorum for action at the meeting. Directors are elected by a plurality of the votes cast, and the four nominees who receive the greatest number of votes cast for election of directors at the meeting will be elected directors for a three-year term. Approval of the other matters expected to come before the meeting requires a favorable vote of the holders of a majority of the voting power represented at the meeting.

In the election of directors, broker non-votes, if any, will be disregarded and have no effect on the outcome of the vote. With respect to the other matters, abstentions from voting will have the same effect as voting against such matter and broker non-votes will be disregarded and have no effect on the outcome of such vote.

Table of Contents

Voting Shares Outstanding

At the close of business on March 3, 2008, the record date for the Annual Meeting, there were outstanding and entitled to vote 45,523,177 shares of Common Stock and 552,507 shares of Series B Cumulative Convertible Preferred Stock (Series B Preferred Stock). Each share of Common Stock has the right to one non-cumulative vote and each share of Series B Preferred Stock has the right to 6.1 non-cumulative votes. Therefore, an aggregate of 48,893,470 votes are eligible to be cast at the meeting.

Proxy Voting Convenience

You are encouraged to exercise your right to vote by returning to the Company a properly executed **WHITE** proxy in the enclosed envelope, whether or not you plan to attend the meeting. This will ensure that your votes are cast.

You may revoke or change your proxy at any time prior to its use at the meeting. There are three ways you may do so: (1) give the Company a written direction to revoke your proxy; (2) submit a later dated proxy; or (3) attend the meeting and vote in person.

Attendance at the Meeting

All shareholders are invited to attend the meeting. Persons who are not shareholders may attend only if invited by the Board of Directors. **If you are a shareholder but do not own shares in your name, you must bring proof of ownership (e.g., a current broker s statement) in order to be admitted to the meeting**. If you wish to attend the meeting in person, you can obtain directions to the Hotel DuPont at www.hoteldupont.com (under the   About Us/Directions   tab).

ELECTION OF DIRECTORS

The Board of Directors Recommends a Vote   For   All Nominees.

The Board of Directors of the Company, pursuant to the Bylaws, has determined that the number of directors of the Company shall be thirteen. Unless you withhold authority to vote, your proxy will be voted for election of the nominees named below.

The following persons are the nominees of the Board of Directors for election as Class II directors to serve for a three-year term until the 2011 Annual Meeting of Shareholders and until their successors are duly elected and qualified:

Michael J. Murray

Robert D. Rogers

William J. Schroeder

Chelsea C. White III

If a nominee becomes unable or unwilling to serve, proxy holders are authorized to vote for election of such person or persons as shall be designated by the Board of Directors; however, the Board of Directors knows of no reason why any nominee should be unable or unwilling to serve.

The Company has three classes of directors, each of which is elected for a three-year term. Class III directors will be elected in 2009 and Class I directors will be elected in 2010. All directors have previously been elected by the shareholders.

Table of Contents

CLASS II DIRECTORS

MICHAEL J. MURRAY — Director since 1997

Retired President, Global Corporate and Investment Banking

Bank of America Corporation

a financial institution

Mr. Murray, age 63, retired in July 2000 as president of Global Corporate and Investment Banking at Bank of America Corporation and as a member of the corporation s Policy Committee. From March 1997 to the BankAmerica-Nations Bank merger in September 1998, Mr. Murray headed BankAmerica Corporation s Global Wholesale Bank and was responsible for its business with large corporate, international, and government clients around the world. Mr. Murray was named a BankAmerica vice chairman and head of the U.S. and International Groups in September 1995. He had been responsible for BankAmerica s U.S. Corporate Group since BankAmerica s merger with Continental Bank Corporation in September 1994. Prior to the BankAmerica-Continental merger, Mr. Murray was vice chairman and head of Corporate Banking for Continental Bank, which he joined in 1969. Mr. Murray is a member of the Board of Directors of the eLoyalty Corporation in Lake Forest, Illinois. He is past Chairman of the United Way of the Bay Area. Mr. Murray is also on the Board of the California Academy of Sciences in San Francisco and is a member of the Advisory Council for the College of Business of the University of Notre Dame. Mr. Murray received his BBA from the University of Notre Dame in 1966 and his MBA from the University of Wisconsin in 1968. He serves on the Compensation and Director Affairs Committees of the Board.

ROBERT D. ROGERS — Director since 1990

Chairman of the Board

Texas Industries, Inc.

a producer of cement, aggregates and concrete

Mr. Rogers, age 71, joined Texas Industries, Inc. in 1963 as General Manager/European Operations. In 1964, he was named Vice President-Finance; in 1968, Vice President-Operations; and in 1970, he became President and Chief Executive Officer. He retired as President/CEO of Texas Industries in May 2004 and was elected Chairman of the Board in October 2004. Mr. Rogers is a graduate of Yale University and earned an MBA from the Harvard Graduate School of Business. He is a member of the Executive Board for Southern Methodist University Cox School of Business, serves on the Board of Adams Golf, serves as a Trustee of the Naval Postgraduate School Foundation and is a member of the Board of Trustees of the National Recreation Foundation. Mr. Rogers served as Chairman of the Federal Reserve Bank of Dallas from 1984 to 1986 and was Chairman of the Greater Dallas Chamber of Commerce from 1986 to 1988. He is the Chairman of the Finance Committee of the Board.

Table of Contents

WILLIAM J. SCHROEDER Director since 1996
Chairman & Interim Chief Executive Officer

Oxford Semiconductor, Inc.

a private semiconductor firm

Mr. Schroeder, age 63, has served as the Chairman of Oxford Semiconductor since July 2006 and Interim Chief Executive Officer since April 2007. From October 2004 until June 2005, Mr. Schroeder served as the Executive Chair of Cornice, Inc. to assist that company through a CEO transition and search process. Prior to joining the Cornice Board, Mr. Schroeder served as President and CEO of Vormetric, Inc., an enterprise data storage security firm from 2002 through 2004. During 2000, Mr. Schroeder was President and CEO of CyberIQ Systems, Inc., an Internet traffic switch company. He was previously employed by Diamond Multimedia Systems, Inc. as President and CEO (1994-1999) and before that by Conner Peripherals, Inc., initially as President and Chief Operating Officer (1986-1989) and later as Vice Chairman (1989-1994). Earlier, Mr. Schroeder was the founder and CEO (1978-1986) of Priam Corporation. Mr. Schroeder also served in various management or technical positions at Memorex Corporation, McKinsey & Co., and Honeywell, Inc. and currently serves on the Board of Directors of Omneon, Inc. and Xirrus, Inc., in addition to serving on the Board of Directors of Oxford. Mr. Schroeder holds the MBA degree with High Distinction from the Harvard Business School and MSEE and BEE degrees from Marquette University. He is the Chairman of the Compensation Committee of the Board.

CHELSEA C. WHITE III Director since 2004
H. Milton and Carolyn J. Stewart School Chair

Schneider National Chair of Transportation and Logistics

School of Industrial and Systems Engineering

Georgia Institute of Technology

an institute of higher learning

Professor White, age 62, is the H. Milton and Carolyn J. Stewart School Chair for the School of Industrial and Systems Engineering, the Director of the Trucking Industry Program, and the Schneider National Chair of Transportation and Logistics at the Georgia Institute of Technology. He has served as editor-in-chief of several of the Transactions of the Institute of Electrical and Electronics Engineers (IEEE), was founding editor-in-chief of the IEEE Transactions on Intelligent Transportation Systems (ITS), and has served as the ITS Series book editor for Artech House Publishing Company. Professor White serves on the boards of directors of the ITS World Congress and the Bobby Dodd Institute and is a member of the executive committee for The Logistics Institute Asia Pacific and of the Mobility Project Advisory Board for the Reason Foundation. He is the former chair of the ITS Michigan board of directors and a former member of the ITS America board of directors. His research interests include the impact of real-time information for improved supply chain productivity and risk mitigation, with special focus on international supply chains. Professor White is a member of the Compensation and Finance Committees of the Board.

Table of Contents

CLASS III DIRECTORS

WILLIAM R. CORBIN Director since 2005
Retired Executive Vice President

Weyerhaeuser Company

a diversified forest products company

Mr. Corbin, age 67, joined Weyerhaeuser in 1992 as Executive Vice President, Wood Products. He retired from Weyerhaeuser in February 2006. His most recent assignment was to oversee Weyerhaeuser Industrial Wood Products and International Business Groups, including Weyerhaeuser Forest Products International, Weyerhaeuser Asia and Europe, Appearance Wood, Composites and BC Coastal Business Groups. From 1995 to 1999 he served as Executive Vice President, Timberlands and Distribution and from 1999 to 2004 again as Executive Vice President, Wood Products. Prior to joining Weyerhaeuser, Mr. Corbin held senior positions at Crown Zellerbach Corporation, International Paper Company and other firms during a 35-year career in wood products manufacturing and timberlands management. Mr. Corbin received his BS degree (forest products) from the University of Washington in 1964. He received a master of forestry degree emphasizing industrial administration from Yale University in 1965. He serves on various boards including University of Washington s College of Fisheries and Oceanography and the University of Washington Foundation. Mr. Corbin is a member of the Audit and Finance Committees of the Board.

MARGARET G. GILL Director since 1995
Former Senior Vice President-Legal, External Affairs and Secretary

AirTouch Communications

a wireless communications company

Mrs. Gill, age 68, served as Senior Vice President-Legal, External Affairs and Secretary of AirTouch Communications from January 1994 until July 1999, when AirTouch was acquired by Vodafone PLC. Prior to joining AirTouch she was, for 20 years, a partner in the law firm of Pillsbury, Madison & Sutro (now Pillsbury Winthrop) in San Francisco. From 1983 to 1993, she served as practice group manager and senior partner for the firm s corporate securities group. Mrs. Gill earned her law degree in 1965 from Boalt Hall Law School, University of California at Berkeley, and holds a Bachelor of Arts degree from Wellesley College. Mrs. Gill manages the Stephen and Margaret Gill Family Foundation, of which she is Board Chair and President. She is also President of the Board of Directors of the Episcopal Diocese of California, and a Trustee and Executive Committee member of the San Francisco Ballet. Mrs. Gill is a member of the Audit and Director Affairs Committees of the Board.

Table of Contents

ROBERT JAUNICH II Founder & Managing Partner Calera Capital a private investment corporation	Director since 1992

Mr. Jaunich, age 68, is founder and managing partner of Calera Capital, formerly Fremont Partners, which manages $1.8 billion targeted to make and oversee majority equity investments in operating companies representing a broad spectrum of industries. Calera Capital was spun out from Fremont Group, a private investment corporation that manages assets of $4.0 billion, which Mr. Jaunich joined in 1991 and where he served as a member of the Board of Directors. Mr. Jaunich serves as a member of the Board of Directors of Direct General (auto insurance). He is trustee of the non-profit National Recreation Foundation and serves on the President s Advisory Council of Boys and Girls Clubs of the Peninsula as well as the Board of the Palo Alto Medical Foundation (PAMF). He is a life member of the World Presidents Organization and was a member of Young Presidents Organization (1980-1990). Mr. Jaunich received a BA from Wesleyan University, Middletown, Connecticut and an MBA from Wharton Graduate School, University of Pennsylvania. He is Chairman of the Director Affairs Committee of the Board.

ADMIRAL HENRY H. MAUZ, JR. U.S. Navy (Retired) Pebble Beach, California	Director since 2005

Admiral Mauz, age 71, retired from active duty in 1994 after 35 years in the Navy, the last two-and-a-half of which were spent as Commander-in-Chief of the U.S. Atlantic Fleet, Norfolk, Virginia. As the Fleet s top officer, Admiral Mauz oversaw an operating budget of $4.7 billion and an organization of 150,000 sailors, marines and civilians serving on 27 bases, 230 ships and 2,000 aircraft, representing over half of the Navy s force structure. Admiral Mauz served between 1990 and 1992 as Deputy Chief of Naval Operations for Program Planning, where he was responsible for development of the Navy s $75 billion budget and related strategic planning. Admiral Mauz graduated from the U.S. Naval Academy, Annapolis, Maryland, in 1959. He holds a postgraduate degree in electrical engineering from the Naval Postgraduate School and a master s degree in business administration from Auburn University. Admiral Mauz also attended the Naval War College and the Air Force Command and Staff College. He serves on the Board of Directors of Texas Industries, Inc., a cement, concrete and aggregates company. He serves on the Northrop Grumman Ship Systems Advisory Board. He served as President of the Naval Postgraduate School Foundation from 1997 to 2006. Admiral Mauz is a member of the Compensation and Finance Committees of the Board.

Table of Contents

CLASS I DIRECTORS

JOHN J. (JACK) ANTON
Operating Director

Paine & Partners, LLC

A Private Equity Management Firm

Director since 2005

Mr. Anton, age 65, is an operating director with Paine & Partners, LLC, a private equity management firm. From 2005 to 2006, he was a private investor in food, consumer products and specialty ingredient companies. From 2001 through 2004, he was a Senior Advisory Director with Fremont Partners, another private equity management firm, and was instrumental in the acquisition and successful divesture of Specialty Brands Inc. (SBI). Mr. Anton served on the Board of SBI. Prior to Fremont, Mr. Anton was Chairman, CEO and co-owner of Ghirardelli Chocolate Company. He led the acquisition of Ghirardelli in 1992 and was responsible for revitalizing the company s brand, marketing programs and growth prior to transitioning Ghirardelli to its new ownership. Mr. Anton served from 1983 to 1990 as Chairman and co-owner of Carlin Foods Corporation, a food ingredient company serving the dairy, baking and food service industries; and from 1990 to 1992 as Chairman of Carlin Investment Corporation, which was created to invest in food and specialty chemical firms. Prior to forming Carlin Foods, he spent nearly twenty years in management and executive roles at Ralston Purina and Nabisco Brands Corporations. During a leave of absence from Ralston Purina, Mr. Anton served as an Infantry Officer in Vietnam, earning a Bronze Star for valor in a combat situation. Mr. Anton received a BS degree (chemistry) from the University of Notre Dame. Mr. Anton serves on the Board of Directors of Basic American Inc., the country s largest potato dehydrator; as Chairman of the Board of WireCo World Group, the largest manufacturer and supplier of technically engineered wire rope; and as a Board member of Icicle Seafood Company, a catcher and processor of various species of fish in the Pacific Northwest. He is active on the Advisory Boards of Notre Dame s College of Science and the University of San Francisco s Business School; and was a past Trustee of the Schools of the Sacred Heart, San Francisco and a past Trustee of the Allendale Association, a Chicago-based school for abused children. He also is a member of the World Presidents Organization. Mr. Anton is a member of the Audit and Finance Committees of the Board.

Table of Contents

W. KEITH KENNEDY, JR. Director since 1996
Chairman of the Board

Con-way Inc.

Dr. Kennedy, age 64, was named Chairman of Con-way Inc. in January 2004. He served as Interim Chief Executive Officer from July 2004 to April 2005. From April 2002 to January 2004 he was the Vice Chairman of Con-way. In January 2000 he retired as President and Chief Executive Officer of Watkins-Johnson Company, a manufacturer of equipment and electronic products for the telecommunications and defense industries. He had held that position since January of 1988. He joined Watkins-Johnson in 1968 and was a Division Manager, Group Vice President, and Vice President of Planning Coordination and Shareowner Relations prior to becoming President. Dr. Kennedy is a graduate of Cornell University from which he holds BSEE, MS, and PhD degrees. He serves on both the Cornell University Council as well as Cornell s College of Engineering Council. He is the past Chairman of Joint Venture: Silicon Valley Network, a non-profit regional organization. He previously held Board and/or officer positions with Boy Scouts of America (Pacific Skyline Council), California State Chamber of Commerce, and Silicon Valley Leadership Group. Dr. Kennedy is a senior member of the Institute of Electrical and Electronics Engineers.

JOHN C. POPE Director since 2003
Chairman

PFI Group, LLC

a financial management firm

Mr. Pope, age 59, is Chairman of PFI Group, LLC, a financial management firm that invests primarily in private equity opportunities, and is also Chairman of the Board of Waste Management, Inc., a NYSE-listed waste collection and disposal firm. From December 1995 to November 1999 Mr. Pope was Chairman of the Board of MotivePower Industries, Inc., a NYSE-listed manufacturer and remanufacturer of locomotives and locomotive components until it merged with Westinghouse Air Brake. Prior to joining MotivePower Industries, Mr. Pope spent six and one-half years with United Airlines and UAL Corporation in various roles, including President and Chief Operating Officer and a member of the Board of Directors. Mr. Pope also spent 11 years with American Airlines and its parent, AMR Corporation, serving as Senior Vice President of Finance, Chief Financial Officer and Treasurer. He was employed by General Motors Corporation prior to entering the airline industry. Mr. Pope is a member of the Board of Directors of Dollar Thrifty Automotive Group, Kraft Foods, Inc., R.R. Donnelley & Sons Company and Waste Management, Inc. Mr. Pope holds a master s degree in finance from the Harvard Graduate School of Business Administration and a bachelor s degree in engineering and applied science from Yale University. Mr. Pope is the Chairman of the Audit Committee of the Board.

Table of Contents

DOUGLAS W. STOTLAR Director since 2005
President and Chief Executive Officer

Con-way Inc.

Mr. Stotlar, age 47, is President and Chief Executive Officer of Con-way Inc. As the company s top executive, Mr. Stotlar is responsible for the overall management and performance of the company. He was named to his current position in April 2005. Mr. Stotlar previously served as President and Chief Executive Officer of Con-way Freight (formerly Con-Way Transportation Services), Con-way s $2.9 billion regional trucking subsidiary. Before being named head of Con-way Freight, Mr. Stotlar served as Executive Vice President and Chief Operating Officer of that company, a position he had held since June 2002. From 1999 to 2002, he was Executive Vice President of Operations for Con-way Freight. Prior to joining Con-way Freight s corporate office, Mr. Stotlar served as Vice President and General Manager of Con-Way NOW after drafting and executing the strategic business plan for the company in 1996. Mr. Stotlar joined the Con-way organization in 1985 as a freight operations supervisor for Con-Way Central Express (CCX), one of the company s regional trucking subsidiaries. He subsequently advanced to management posts in Columbus, Ohio, and Fort Wayne, Indiana, where he was named northwest regional manager for CCX responsible for 12 service centers. A native of Newbury, Ohio, Mr. Stotlar earned his bachelor s degree in transportation and logistics from The Ohio State University. He serves as vice president at large and is a member of the executive committee of the American Trucking Association. Mr. Stotlar is a member of the Board of Directors of the American Transportation Research Institute (ATRI) and URS Corporation, is a member of The Business Roundtable, and serves on the Executive Committee of the US section of the North American Competitive Council.

PETER W. STOTT Director since 2004
Vice Chairman and Principal

ScanlanKemperBard Companies

a real estate private equity company

President

Columbia Investments, Ltd.

an investment company

Mr. Stott, age 63, has been the vice chairman and a principal of ScanlanKemperBard Companies, a real estate private equity company, since 2005, and president of Columbia Investments, Ltd. since 2004. He was formerly President and CEO of Crown Pacific from 1988 to 2004. Crown Pacific filed for bankruptcy in 2003. Prior to Crown Pacific, Mr. Stott founded Market Transport, Ltd. in 1969, the largest asset-based transportation and logistics services company headquartered in Oregon. Market Transport, Ltd. was acquired in 2006 by UTI Worldwide, a NASDAQ traded transportation and logistics company. He is a member of the Portland State University Building Our Future Campaign Cabinet, a member of the board of directors of the Portland State University Foundation, the Chairman of the Founder s Circle of SOLV, and trustee of the Portland Art Museum. Mr. Stott is a member of the Compensation and Director Affairs Committees of the Board.

9

Table of Contents

STOCK OWNERSHIP BY DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth information regarding beneficial ownership of the Company s Common Stock and Series B Preferred Stock, as of February 1, 2008, by the directors, the executive officers identified in the Summary Compensation Table below and by the directors and executive officers as a group.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percent of Class
John J. Anton	7,511 Common 0 Series B Preferred	*
Robert L. Bianco(2)	66,320 Common 196 Series B Preferred	*
William R. Corbin	6,053 Common 0 Series B Preferred	*
Margaret G. Gill	27,267 Common 0 Series B Preferred	*
Robert Jaunich II	39,972 Common 0 Series B Preferred	*
W. Keith Kennedy, Jr.	68,064 Common 0 Series B Preferred	*
John G. Labrie(3)	72,786 Common 138 Series B Preferred	*
Henry H. Mauz, Jr.	5,978 Common 0 Series B Preferred	*
David S. McClimon(4)	80,022 Common 318 Series B Preferred	*
Michael J. Murray	35,188 Common 0 Series B Preferred	*
Jennifer W. Pileggi(5)	57,391 Common 134 Series B Preferred	*
John C. Pope	21,841 Common 0 Series B Preferred	*
Robert D. Rogers	38,236 Common 0 Series B Preferred	*
Kevin C. Schick(6)	74,927 Common	*

	324 Series B Preferred	
William J. Schroeder	27,069 Common 0 Series B Preferred	*
Douglas W. Stotlar(7)	302,878 Common 290 Series B Preferred	*
Peter W. Stott	34,571 Common 0 Series B Preferred	*
Chelsea C. White III	5,607 Common 0 Series B Preferred	*
All directors and executive officers as a group (22 persons)(8)	1,063,284 Common 1,752 Series B Preferred	2.3%

* Less than one percent of the Company s outstanding shares of Common Stock.

Table of Contents

(1) Represents shares as to which the individual has sole voting and investment power (or shares such power with his or her spouse). None of these shares has been pledged as security. The shares shown for non-employee directors include the following number of shares of restricted stock and number of shares which the non-employee director has the right to acquire within 60 days of February 1, 2008 because of vested stock options: Mr. Anton, 5,537 and 0; Mr. Corbin, 3,731 and 0; Mrs. Gill, 4,468 and 14,943; Mr. Jaunich, 4,468 and 16,479; Dr. Kennedy, 19,128 and 31,000; Admiral Mauz, 3,731 and 0; Mr. Murray, 2,574 and 12,197; Mr. Pope, 6,274 and 10,438; Mr. Rogers, 2,574 and 19,424; Mr. Schroeder, 2,574 and 9,332; Mr. Stott, 6,347 and 6,250; and Dr. White 2,647 and 0. The restricted stock and stock options were awarded under and are governed by the Amended and Restated Equity Incentive Plan for Non-Employee Directors and the 2003 Equity Incentive Plan for Non-Employee Directors. The restricted shares shown for Dr. Kennedy include (i) 8,000 shares of restricted stock which were awarded under and are governed by the terms of the Con-way Inc. 1997 Equity and Incentive Plan, and (ii) 11,128 shares of restricted stock which were awarded under and are governed by the 2003 Equity Incentive Plan for Non-Employee Directors or the Amended and Restated Equity Incentive Plan for Non-Employee Directors.

(2) The shares shown include 41,924 shares which Mr. Bianco has the right to acquire within 60 days of February 1, 2008 because of vested stock options.

(3) The shares shown include 47,474 shares which Mr. Labrie has the right to acquire within 60 days of February 1, 2008 because of vested stock options. In addition to the holdings described in the above table, Mr. Labrie holds 2,941 phantom stock units under the Company s Deferred Compensation Plan for Executives and Key Employees.

(4) The shares shown include 73,748 shares which Mr. McClimon has the right to acquire within 60 days of February 1, 2008 because of vested stock options.

(5) The shares shown include 44,099 shares which Ms. Pileggi has the right to acquire within 60 days of February 1, 2008 because of vested stock options.

(6) The shares shown include 60,699 shares which Mr. Schick has the right to acquire within 60 days of February 1, 2008 because of vested stock options.

(7) The shares shown include 224,114 shares which Mr. Stotlar has the right to acquire within 60 days of February 1, 2008 because of vested stock options. In addition to the holdings described in the above table, Mr. Stotlar holds 13,508 phantom stock units under the Company s Deferred Compensation Plan for Executives and Key Employees.

(8) The shares shown include 686,669 shares which all directors and executive officers as a group have the right to acquire within 60 days of February 1, 2008 because of vested stock options.

Table of Contents

INFORMATION ABOUT THE BOARD OF DIRECTORS AND CERTAIN

BOARD COMMITTEES; CORPORATE GOVERNANCE

Director Independence

The Board of Directors has determined that Robert P. Wayman, who served as a director during 2007, and each incumbent director other than Douglas W. Stotlar, is an independent director under the New York Stock Exchange listing standards.

Board Meetings; Executive Sessions of Non-Management Directors

During 2007, the Board of Directors held nine meetings. Each incumbent director attended at least 75% of all meetings of the Board and the committees of the Board on which he or she served.

Non-management members of the Board of Directors meet in executive session on a regularly scheduled basis. Neither the Chief Executive Officer nor any other member of management attends such meetings of non-management directors. The Chairman of the Board of Directors of the Company, W. Keith Kennedy, Jr., has been chosen as the Lead Non-Management Director to preside at such executive sessions. For information regarding how to communicate with the Lead Non-Management Director and other members of the Company s Board of Directors, see Communications with Directors below.

Standing Committees

The Board of Directors currently has the following standing committees: Audit Committee, Compensation Committee, Director Affairs Committee and Finance Committee, the members of which are shown in the table below. Each of the Audit, Compensation and Directors Affairs Committees is governed by a charter, current copies of which are available on the Company s corporate website at www.con-way.com under the headings Investor Relations/Corporate Governance. Copies of the charters are also available in print to shareholders upon request, addressed to the Corporate Secretary at 2855 Campus Drive, Suite 300, San Mateo, California 94403.

Director	Audit	Compensation	Director Affairs	Finance
John J. Anton	X			X
William R. Corbin	X			X
Margaret G. Gill	X		X	
Robert Jaunich II			X*	
W. Keith Kennedy, Jr.				
Henry H. Mauz, Jr.		X		X
Michael J. Murray		X	X	

John C. Pope	X*			
Robert D. Rogers				X*
William J. Schroeder		X*		
Douglas W. Stotlar				
Peter W. Stott		X	X	
Chelsea C. White III		X		X

X = current member; * = chair

12

Table of Contents

Descriptions of the Audit, Compensation and Director Affairs Committees follow:

Audit Committee: Under its charter, the Audit Committee assists the Board in its oversight of matters involving the accounting, auditing, financial reporting, and internal control functions of the Company. The Committee receives reports on the work of the Company s outside auditors and internal auditors, and reviews with them the adequacy and effectiveness of the Company s accounting and internal control policies and procedures. Under the Company s Corporate Governance Guidelines, the Company s Chief Executive Officer, Chief Financial Officer, Controller and General Counsel are required to promptly notify the Chair of the Audit Committee upon receiving complaints regarding accounting, internal control and auditing matters involving the Company.

Each Committee member has been determined to be an independent director under the New York Stock Exchange listing standards. The Board has determined that Mr. Pope qualifies as an audit committee financial expert as such term is defined in rules adopted by the Securities and Exchange Commission. The Board has also determined that Mr. Pope s service on the audit committees of more than three public companies does not impair his ability to effectively serve on the Company s Audit Committee. The Committee met thirteen times during 2007.

Compensation Committee: The Compensation Committee s authority is established in its charter. The Compensation Committee approves the annual base salaries paid to the Chief Executive Officer, the Company s other policy-making officers and certain other corporate officers. The Company s Chief Executive Officer approves the annual base salaries for the Company s other executives. The Compensation Committee also approves, for all executives, the short-term and long-term incentive compensation award opportunities and performance goals applicable to these awards, and annual grants of stock options to all executives made under the Company s equity and incentive plan. In determining the compensation paid to the Chief Executive Officer, it is the practice of the Compensation Committee to consult with and obtain the concurrence of the other independent members of the Board of Directors. Management has no role in recommending or setting compensation for the Chief Executive Officer. The Committee also reviews the retirement and benefit plans of the Company and its domestic subsidiaries for non-contractual employees.

Each Committee member has been determined to be an independent director under the New York Stock Exchange listing standards. The Committee met nine times during 2007.

The Compensation Committee engages an independent compensation consultant to assist the Committee in its annual review and approval of executive compensation. For 2007, the Compensation Committee retained Hewitt Associates, LLP as its independent compensation consultant. (See Compensation Discussion and Analysis Role of Compensation Consultants below.)

Each year the Chief Executive Officer presents to the Compensation Committee for consideration his recommendations with respect to the compensation of Company executives (other than himself). These recommendations include:

- annual base salaries of the Named Executives, other executives who report directly to the Chief Executive Officer and certain other corporate officers;

- annual stock option grants for all executives;

the performance goals applicable to short-term and long-term incentive compensation awards; and

the particular levels of performance at which executives receive threshold, interim, target and maximum payouts on short-term incentive compensation awards, and threshold, target and maximum payouts on long-term incentive compensation awards.

Table of Contents

In developing his recommendations, the Chief Executive Officer typically takes into account:

- comparative market data supplied by the independent compensation consultant retained by the Compensation Committee;
- each executive s target short-term and long-term incentive compensation opportunities, determined based on multiples of annual base salary approved by the Compensation Committee;
- for the Named Executives and other executives who report directly to him, his assessment of the executives relative levels of responsibility and relative potential to affect business results, and of the executives individual performances;
- for lower level executives, assessment of those executives by the Named Executives or other senior executives to whom the lower level executives report; and
- for the performance goals, his assessment of projected Company performance as shown in its one- and three-year financial plans.

The independent compensation consultant is available for consultation with the Committee (without executive officers present) prior to and at the Committee meeting at which executive compensation is approved. The Compensation Committee also meets with the Chief Executive Officer (without other executive officers present) to discuss his executive compensation recommendations. The Committee then meets in an executive session without management and exercises its independent judgment in deciding whether to accept or revise the Chief Executive Officer s recommendations.

The Committee charter provides that the Compensation Committee may delegate its duties and responsibilities to one or more agents (which may include officers or employees of the Company or third party agents), to the extent permitted under applicable law and New York Stock Exchange rules. However, the Compensation Committee has exercised its authority to delegate only in limited circumstances, as described below.

The Compensation Committee has delegated to the Employee Recognition Committee, a committee made up of the Company s Chief Executive Officer, Chief Financial Officer and General Counsel, the authority to grant stock options and other long-term incentive awards and to award discretionary cash bonuses, subject to certain conditions and limitations. The Employee Recognition Committee has no authority to grant stock options and other long-term incentive awards or to award discretionary cash bonuses to the Chief Executive Officer, to any officer who reports directly to the Chief Executive Officer, or to any other policy-making executive officer. However, other officers and employees of the Company are eligible to receive stock option grants and/or discretionary bonus awards from the Employee Recognition Committee. Only officers who are hired or promoted during the first quarter of the year are entitled to receive other long-term incentive awards. These awards are permitted only for the cycle that begins in the year that the officers are hired or promoted, must be made within three months after the beginning of the award cycle, and are intended to provide these officers with the same long-term incentive awards that they would have received had they been in their current positions at the beginning of the award cycle (subject to pro rata adjustment based on the portion of the cycle during which they are employed).

The aggregate amount of all discretionary cash bonuses awarded in any fiscal year by the Employee Recognition Committee to eligible officers of the Company and by management to non-executive employees cannot exceed $3 million. The aggregate amount of discretionary cash bonuses that the Employee Recognition Committee awards to any eligible officer in any fiscal year cannot exceed an amount equal to the sum of the officer s base annual salary and target annual

Table of Contents

performance bonus. The aggregate number of stock options granted by the Employee Recognition Committee in any fiscal year cannot exceed 100,000 and the number of stock options that can be granted to any eligible officer or other employee in any single grant in a fiscal year cannot exceed 20,000. The Employee Recognition Committee provides annual reports to the Compensation Committee, identifying awards made.

In addition, the Compensation Committee charter identifies the Compensation Committee as the Committee with the responsibility to administer the 2006 Equity and Incentive Plan and the short-term and long-term incentive compensation awards made under the Plan. The Committee has delegated to management the authority to administer the plans on a day-to-day basis. However, the Committee retains sole authority to make awards, establish award terms (including performance goals) and determine whether or not modifications to performance goals are to be made.

The Compensation Committee has also delegated to the Employee Benefits Review Committee, a committee made up of Company employees and chaired by the Company s Vice President Human Resources, the authority to approve amendments to the Company s tax-qualified and other non-executive benefit plans, other than any amendment expected to result in a net incremental cost to the Company of more than $10 million per year.

Director Affairs Committee: The functions of the Director Affairs Committee, which are set forth in the Committee s charter, include the following:

- identifying and recommending to the Board individuals qualified to serve as directors of the Company;
- recommending to the Board directors to serve on committees of the Board;
- advising the Board with respect to matters of Board composition and procedures;
- developing and recommending to the Board a set of corporate governance principles applicable to the Company and overseeing corporate governance matters generally;
- overseeing the Company s policies and procedures with respect to related person transactions;
- overseeing the annual evaluation of the Board and the Company s management; and
- periodically reviewing and recommending to the Board the appropriate forms and levels of compensation for Board and Committee service by non-employee members of the Board (including the Chairman of the Board, if he or she is not an employee of the Company).

Each Committee member has been determined to be an independent director under the New York Stock Exchange listing standards. The Director Affairs Committee met three times during 2007.

Not less often than every three years, the Director Affairs Committee engages an independent compensation consultant to review the Company s director compensation. Typically, the Committee engages the same consultant that the Compensation Committee engages to provide advice regarding executive compensation. The Committee instructs the consultant to include in its review prevalent director compensation practices, including compensation in cash, stock and options. For 2007, the Committee retained Hewitt Associates and based on Hewitt s advice modified director compensation. The Committee does not delegate any of its duties regarding director compensation, and executive officers of the Company have no role in determining or recommending the amount or form of director compensation.

The Director Affairs Committee will consider director candidates recommended by shareholders. In considering candidates submitted by shareholders, the Director Affairs Committee will take into

15

Table of Contents

consideration the needs of the Board and the qualifications of the candidate. To have a candidate considered by the Director Affairs Committee, a shareholder must submit the recommendation in writing and must include the following information:

- the name of the shareholder and evidence of the person s ownership of Company stock; and
- the name of the candidate, the candidate s resume or a listing of his or her qualifications to be a director of the Company and the person s consent to be named as a director if selected by the Director Affairs Committee and nominated by the Board.

The shareholder recommendation and information described above must be sent to the Corporate Secretary at 2855 Campus Drive, Suite 300, San Mateo, California 94403. The Director Affairs Committee will accept recommendations of director candidates throughout the year; however, in order for a recommended director candidate to be considered for nomination to stand for election at an upcoming annual meeting of shareholders, the recommendation must be received by the Corporate Secretary not less than 120 days prior to the anniversary date of the Company s most recent annual meeting of shareholders.

The Director Affairs Committee believes that the minimum qualifications for serving as a director of the Company are that a nominee demonstrate, by significant accomplishment in his or her field, an ability to make a meaningful contribution to the Board s oversight of the business and affairs of the Company and have a reputation for honest and ethical conduct in both his or her professional and personal activities. In addition, the Director Affairs Committee examines a candidate s specific experiences and skills, time availability in light of other commitments, potential conflicts of interest and independence from management and the Company. The Director Affairs Committee also seeks to have the Board represent a diversity of backgrounds and experience.

The Director Affairs Committee identifies potential nominees by asking current directors and executive officers to notify the Committee if they become aware of persons, meeting the criteria described above, who would be good candidates for service on the Board. The Director Affairs Committee also, from time to time, may engage firms that specialize in identifying director candidates. As described above, the Committee will also consider candidates recommended by shareholders.

Once a person has been identified by the Director Affairs Committee as a potential candidate, the Committee may collect and review publicly available information regarding the person to assess whether the person should be considered further. If the Director Affairs Committee determines that the candidate warrants further consideration, the Chairman or another member of the Committee contacts the person. Generally, if the person expresses a willingness to be considered and to serve on the Board, the Director Affairs Committee requests information from the candidate, reviews the person s accomplishments and qualifications, including in light of any other candidates that the Committee might be considering, and conducts one or more interviews with the candidate. In certain instances, Committee members may contact one or more references provided by the candidate or may contact other members of the business community or other persons that may have greater first-hand knowledge of the candidate s accomplishments. The Committee s evaluation process does not vary based on whether or not a candidate is recommended by a shareholder.

Policies and Procedures Regarding Related Person Transactions; Transactions with Related Persons

The Company has written policies and procedures for the review, approval or ratification of related person transactions. A transaction is subject to the policies and procedures if the transaction involves in excess of $120,000, the Company is a participant in the transaction and any executive officer, director or 5% shareholder, or any of their immediate family members, has a direct or indirect interest

Table of Contents

in the transaction. The Director Affairs Committee of the Board of Directors is responsible for applying these policies and procedures. It is the Company s policy to enter into or ratify related person transactions only when the Director Affairs Committee determines that the transaction in question is in, or is not inconsistent with, the best interests of the Company and its stockholders, including but not limited to situations where the Company may obtain products or services of a nature, quantity or quality, or on other terms, that are not readily available from alternative sources or when the Company provides products or services to related persons on an arm s length basis on terms comparable to those provided to unrelated third parties or on terms comparable to those provided to employees generally.

Since January 1, 2007, the Company has not been a participant in any transaction involving more than $120,000 in which a related person had a direct or indirect material interest, nor is any such transaction currently proposed, except for the transaction described in the next paragraph.

Contract Freighters, Inc. (CFI), the truckload carrier acquired by the Company in August 2007, engages Contract Transportation Service (CTS) to provide shuttle services within the Joplin, Missouri area. CTS has been providing these services to CFI since 1994, and the amount paid by CFI to CTS has risen from approximately $60,000 in 1994 to approximately $145,000 in 2007. CTS is owned and operated by Scott Schmidt, the brother of Herbert J. Schmidt, President of CFI and Senior Vice President of the Company. Herbert J. Schmidt has no ownership or other pecuniary interest in CTS and is not involved in the day-to-day management of the relationship between CFI and CTS. Pursuant to the Company s policies and procedures described below, the Director Affairs Committee reviewed and ratified the transactions between CFI and CTS, concluding that the transactions are in the best interests of the Company and its stockholders.

Communications with Directors

Any shareholder or other interested party desiring to communicate with any director (including the Lead Non-Management Director and the other non-management directors) regarding the Company may directly contact any director or group of directors by submitting such communications in writing to the director or directors in care of the Corporate Secretary, 2855 Campus Drive, Suite 300, San Mateo, California 94403.

All communications received as set forth in the preceding paragraph will be opened by the Corporate Secretary for the sole purpose of determining whether the contents represent a message to the Company s directors. Any contents that are not in the nature of advertising, promotions of a product or service, or patently offensive material will be forwarded promptly to the addressee. In the case of communications to the Board or any group of directors, the Corporate Secretary will make sufficient copies of the contents to send to each director who is a member of the group to which the envelope is addressed.

Policy Regarding Director Attendance at Annual Meetings of Shareholders

The Company s policy regarding director attendance at the Annual Meeting of Shareholders is for the Chairman of the Board of Directors and the Chief Executive Officer (if different from the Chairman) to attend in person, and for other directors to attend in person or electronically. In 2007, the Chairman of the Board was unable to attend the Annual Meeting of Shareholders in person due to weather-related travel difficulties. However, the Company s Chief Executive Officer and Chief Financial Officer attended the meeting in person, and the Chairman of the Board and eleven of the twelve other outside Directors attended telephonically.

17

Table of Contents

Authority to Retain Advisors

The Board of Directors and each Committee of the Board is authorized, as it determines necessary to carry out its duties, to engage independent counsel and other advisors. The Company compensates any independent counsel or other advisor retained by the Board or any Committee.

Code of Ethics; Corporate Governance Guidelines

The Board of Directors has adopted a Code of Ethics for Chief Executive and Senior Financial Officers, including the Chief Financial Officer and Controller. The Board of Directors has also adopted a Directors Code of Business Conduct and Ethics applicable to all directors, a Code of Business Conduct applicable to all officers and employees, and Corporate Governance Guidelines. Current copies of each of these documents are available on the Company s corporate website at www.con-way.com under the headings Investor Relations/Corporate Governance. Copies are also available in print to shareholders upon request, addressed to the Corporate Secretary at 2855 Campus Drive, Suite 300, San Mateo, California 94403. The Company intends to satisfy any disclosure requirements regarding an amendment to, or waiver from, the Code of Ethics by posting such information on the Company s website at www.con-way.com.

Table of Contents

2007 DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash ($)(2)	Stock Awards ($)(3)(4)	Option Awards ($)(5)	Non-Equity Incentive Plan Compensation ($)(6)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)(7)	All Other Compensation ($)(8)	Total ($)
John J. Anton	75,018	101,917				2,265	179,200
William R. Corbin	73,377	95,754				2,003	171,134
Margaret G. Gill	75,043	105,783				2,610	183,436
Robert Jaunich II	78,043	105,783				7,610	191,436
W. Keith Kennedy, Jr.	232,518	234,162			2,920	14,157	483,757
Henry H. Mauz, Jr.	70,043	95,754				7,003	172,800
Michael J. Murray	74,050	79,543				1,861	155,454
John C. Pope	85,018	114,437				8,022	207,477
Robert D. Rogers	78,050	79,543			18,351	6,861	182,805
William J. Schroeder	77,883	79,543				6,861	164,287
Peter W. Stott	70,018	106,909				7,589	184,516
Robert P. Wayman(1)	75,043	105,783				2,610	183,436
Chelsea C. White III	70,050	74,507				1,578	146,135

(1) Mr. Wayman, who resigned from the Board in January 2008, served as a member of the Board of Directors and the Audit and Director Affairs Committees during 2007.

(2) Each non-employee Director received a cash retainer of $70,000 in 2007. For his services as Chairman of the Board, Dr. Kennedy received an additional cash retainer of $162,500. Messrs. Jaunich, Pope, and Rogers received $8,000, $15,000, and $8,000 each for serving as Chairs of the Director Affairs, Audit, and Finance Committees, respectively. Mr. Murray received $4,000 for serving as Chair of the Compensation Committee for part of 2007 and Mr. Schroeder, who succeeded Mr. Murray as Chair, received $7,833 for serving as Chair for part of 2007 and for serving as an Audit Committee member prior to becoming Chair of the Compensation Committee. For serving on the Audit Committee, Mrs. Gill and Messrs. Anton and Wayman received additional cash retainers of $5,000 and Mr. Corbin received a cash retainer of $3,333 for a partial year of service.

Includes the following cash payments made in lieu of granting partial shares in connection with 2007 restricted stock grants: Messrs. Anton, Kennedy, Pope and Stott, $18; Mrs. Gill, Admiral Mauz and Messrs. Corbin Jaunich and Wayman, $43; and Messrs. Murray, Rogers, Schroeder and White, $50.

Mr. Stotlar is not included in the table because he does not receive compensation in his capacity as a member of the Board of Directors. His compensation as President and Chief Executive Officer is included in the Summary Compensation Table below.

(3) Amounts shown in this column reflect the 2007 compensation expense for financial reporting purposes under FAS 123R for all outstanding stock awards made to non-employee directors. The FAS 123R value as of the grant date is spread over the number of months of service required for the grant to become non-forfeitable. Dr. Kennedy s restricted stock balance includes 8,000 shares awarded to him in September 2004 during his tenure as interim Chief Executive Officer. For additional information on the valuation assumptions for 2007 grants, see Note 12, *Share-Based Compensation* of Item 8, *Financial Statements and Supplementary Data*, of our Form 10-K for the year ended December 31, 2007, as filed with the SEC. For

information on the valuation assumptions for grants made prior to fiscal year 2007, see the notes in our financial statements in the Form 10-K for the respective year.

Table of Contents

(4) The following table provides certain additional information concerning the restricted stock awards of our non-employee directors for fiscal year 2007:

	Total Restricted Stock Awards Outstanding at December 31, 2007 (#)	Restricted Stock Awards Granted During 2007 (#)	Grant Date Fair Value of Restricted Stock Awards Granted During 2007 ($)
John J. Anton	5,537	4,550	254,982
William R. Corbin	3,731	713	39,957
Margaret G. Gill	5,247	713	39,957
Robert Jaunich II	5,247	713	39,957
W. Keith Kennedy, Jr.	11,907	4,550	254,982
Henry H. Mauz, Jr.	3,731	713	39,957
Michael J. Murray	3,353	356	19,950
John C. Pope	7,429	4,550	254,982
Robert D. Rogers	3,353	356	19,950
William J Schroeder	3,353	356	19,950
Peter W. Stott	6,347	4,550	254,982
Robert P. Wayman	5,247	713	39,957
Chelsea C. White III	2,647	356	19,950

(5) No option awards were granted to non-employee directors in 2007, and all outstanding stock options have been fully expensed. As of December 31, 2007, non-employee directors held the following number of stock options: Mrs. Gill, 14,943; Mr. Jaunich, 16,479; Dr. Kennedy, 31,000; Mr. Murray, 12,197; Mr. Pope, 10,438; Mr. Rogers, 19,424; Mr. Schroeder, 9,332; Mr. Stott, 6,250; and Mr. Wayman, 14,301. Dr. Kennedy s total stock option balance includes 26,000 options awarded to him in March 2004 during his tenure as interim Chief Executive Officer.

(6) The Company does not maintain any non-equity incentive compensation plans for non-employee directors.

(7) Amounts shown in this column reflect above-market interest on deferred compensation account balances. The Company does not maintain any pension or other retirement plan for non-employee directors.

(8) Includes $5,700 ($407 per director) for the annual insurance premium paid for all directors; contributions of $5,000 each made to accredited colleges or universities on behalf of Admiral Mauz, Dr. Kennedy, and Messrs. Jaunich, Pope, Rogers, Schroeder and Stott under the Company s education matching gifts program; and dividends paid on unvested restricted stock, as follows: Mr. Anton, $1,859; Mr. Corbin, $1,597; Mrs. Gill, $2,203; Mr. Jaunich, $2,203; Dr. Kennedy, $8,750; Admiral Mauz, $1,597; Mr. Murray, $1,454; Mr. Pope, $2,615; Mr. Rogers, $1,454; Mr. Schroeder, $1,454; Mr. Stott, $2,183; Mr. Wayman, $2,203; and Dr. White, $1,171.

Each non-employee member of the Board of Directors receives an annual cash retainer of $70,000. The Chairman of the Board of Directors receives an additional annual cash retainer in recognition of his increased responsibilities and time commitment as Chair. In 2007, Dr. Kennedy received an additional annualized retainer of $162,500 as compensation for his service as Chairman of the Board. In addition to the annual cash retainers, the chair of the Company s Audit Committee also receives an annual chair cash retainer of $15,000, and the chairs of the Compensation, Director Affairs and Finance Committees each receive an annual chair cash retainer of $8,000. Each member of the Audit Committee, other than the chair, also receives a committee retainer of $5,000. Each of the retainers described above are payable quarterly in arrears. Directors do not receive any fees for attending Board or Committee meetings.

Directors may elect to defer payment of their fees under the Company s deferred compensation plans for directors. Payment of any deferred compensation account balances will be paid in a lump sum or in installments beginning no later than the year following the director s final year on the Board. In 2007 (as in previous years), interest was credited quarterly to amounts deferred at the Bank of America prime rate and, as a result, in 2007, Dr. Kennedy and Mr. Rogers earned $2,920 and $18,351, respectively, in interest on their deferred account balances above 120% of the applicable federal rate. The Company s deferred compensation plans for directors provide that balances on amounts deferred

20

Table of Contents

in 2007 and subsequent years are not credited with a fixed rate of interest but instead fluctuate based on the value on one of more funds selected by the director from a list of available funds. In addition, directors may elect to have some or all of their pre-2007 account balances treated in the same manner as post-2006 deferrals. Directors may also elect to convert some or all of their deferred compensation account balances into phantom stock units that track the performance of the Company s common stock.

In 2006, director compensation was revised to provide that each director also receives grants of restricted stock having a specified notional value for each year of the director s three-year term. The notional value was increased to $85,000 per year (from $65,000) effective with grants made in April 2007. Except during a transition period, each director receives a grant of restricted stock in the year that the director is elected or re-elected to the Board and does not receive a restricted stock grant under this program in the subsequent two years. The value at the time of grant is equal to three times the specified annual notional value, so that directors elected or re-elected to the Board will receive grants with a value at the time of grant of $255,000 (three times $85,000). The number of shares of restricted stock in each grant is determined by dividing the notional value of the grant by the closing price of the Company s common stock on the grant date, with any fractional shares paid in cash. Each such grant of restricted stock is made in April (following election or re-election to the Board) and vests one-third per year, commencing on the first anniversary of the grant, or earlier upon the occurrence of certain events such as death, disability, retirement or a change in control. In April 2007, the four Class I directors elected or re-elected to the Board received grants with a notional value of $255,000 at the time of grant. Each of the other directors received a transition grant to reflect the increase in notional value from $65,000 to $85,000 per year. The four Class II directors received transition grants with a notional value of $20,000 at the time of grant; and the five Class III directors received transition grants with a notional value of $40,000 at the time of grant.

Directors are also provided with certain insurance coverage and, in addition, are reimbursed for travel expenses incurred for attending Board and Committee meetings. The Company also maintains an Education Matching Gifts Program, pursuant to which the Company will match donations made to an accredited college or university by executives, certain other employees or members of the Company s Board of Directors. The matching contributions made by the Company in any year on behalf of any executive, employee or Board member are limited to $5,000.

Table of Contents

COMPENSATION OF EXECUTIVE OFFICERS

I. COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This Compensation Discussion and Analysis describes the Company s executive compensation program objectives, policies and procedures as in effect for the 2007 fiscal year.

Objectives and Program Design Features

The Company s Compensation Committee has adopted the following philosophy regarding the Company s executive compensation program:

The objective is to provide a target opportunity for total direct compensation between the 50th and 75th percentiles of compensation packages provided to employees with similar responsibilities at comparable companies either in our industry or with similar financial characteristics. Variations to this objective may occur based on individual and market factors.

Performance-based awards should comprise a significant portion of the total direct compensation paid to executives and should correlate to overall financial performance and company objectives. As responsibilities increase, the portion of executives total direct compensation delivered in long-term incentives also increases.

Total direct compensation refers to annual base salary, short-term incentive compensation opportunities and long-term compensation opportunities.

In addition, the Compensation Committee also seeks to:

- promote internal pay equity by providing comparable incentive compensation opportunities to executives within a given executive grade level;
- encourage sustained performance over time and promote executive retention, by providing for long-term compensation opportunities that comprise a significantly larger percentage of total direct compensation than short-term incentive compensation opportunities; and

provide competitive post-employment compensation and perquisites, in addition to total direct compensation, so that the total compensation provided to executives compares reasonably to the total compensation provided to other executives at comparable companies.

The executive compensation program that has been implemented to further these objectives is described below under Overview of Executive Compensation Program; Components of Compensation.

The targeting of total direct compensation generally between the 50^{th} and 75^{th} percentile reflects the Compensation Committee s view that the performance of the Company s business units generally is above median when compared against companies engaged in similar businesses and when measured over time so as to reflect the cyclical nature of the businesses. By targeting above-median compensation, the Compensation Committee rewards executives for this performance, creates an incentive for continued superior performance and promotes recruitment and retention of highly-talented executives. The Compensation Committee s analysis of total direct compensation in relation to compensation provided to executives at other companies is discussed below under Comparative Market Data.

Table of Contents

Overview of Executive Compensation Program; Components of Compensation

The discussion that follows is intended to provide an overview of the Company s executive compensation program and to describe how the program has been structured to provide compensation in a manner that promotes the Company s objectives described above. For analysis of the 2007 compensation provided to each of the Named Executives, see 2007 Compensation of Named Executives below.

The components of Con-way s executive compensation program for 2007 and the purpose of each component are shown in the table below.

Compensation Component	Purpose	Form
A. Total Direct Compensation		
1. Base salary	Fixed component of pay that is competitive for each executive position	Cash
2. Short-term incentive compensation opportunities	Variable component of pay intended to motivate and to reward the executive s contribution to achieving the Company s short-term objectives	Cash
3. Long-term incentive compensation opportunities	Variable component of pay intended to motivate and to reward the executive s contribution to achieving the Company s long-term objectives and to promote executive retention	Cash, stock options, performance share plan units
B. Post-Employment Compensation		
1. Retirement, death and disability benefits	Fixed component of pay intended to provide opportunity to accrue benefits for retirement (pension, 401(k) and deferred compensation plans) and to protect against catastrophic events (death and disability benefits)	Cash, Company-paid benefits
2. Severance payments and benefits upon a change in control	Contingent component of pay which executives are eligible to receive in connection with a change-in-control. Program promotes the important Company objectives of achieving optimal shareholder value and maintaining continuity of management prior to and during an actual or potential change-in-control event	Cash, Company-paid benefits, early vesting of equity and other awards
3. Other severance payments and benefits	Contingent component of pay which the Company, in its discretion, may elect to provide to a departing executive who is being involuntarily terminated for reasons other than cause	Cash, Company-paid benefits

Table of Contents

Compensation Component	Purpose	Form
C. Perquisites	Fixed component of pay intended to provide competitive executive benefits	Paid benefits, including Company car, education matching gifts, executive physical, allowances for tax preparation and estate and financial planning, relocation assistance
D. Special Awards	Variable component of pay intended to promote retention of key executives and/or to reward exceptional individual performance	Cash, stock options, restricted stock

A. Total Direct Compensation

The Company s basic structure, described below, for providing total direct compensation to the Named Executives has been in place since 1998. The Compensation Committee annually assesses the competitiveness of the total direct compensation provided to the Named Executives using comparative market data provided by an independent compensation consultant (see Comparative Market Data below), and has concluded that the structure implemented by the Company provides competitive total direct compensation. The 2007 total direct compensation of the Named Executives was based on this structure and is described below under 2007 Compensation of Named Executives.

Under the structure, annual base salaries are first set. Then, the dollar values of short-term and long-term incentive compensation opportunities, at target performance levels, are determined based on specified percentages of base salary. The percentages that apply to the Named Executives are shown in the table below.

Incentive Compensation Opportunities as a Percentage of Base Salary*

Executive Grade Level	Short-Term Incentive Compensation Opportunity at Target (as a percentage of base salary)	Long-term Incentive Compensation Opportunity at Target (as a percentage of base salary)	Percentage of Total Direct Compensation at Target which is At Risk
Level 1 (President and Chief Executive Officer)	100%	400%	83%
Level 2 (5 officers, including all Named Executives other than CEO)	75%	225%	75%

* The Compensation Committee has determined that the percentages shown in the table are in line with comparative market data. See Comparative Market Data below.

A similar structure is used for Company executives at lower levels, although the multiples of annual base salary and the percentage of total direct compensation at risk for those executives are lower than those shown in the table above for Level 1 and Level 2 executives.

24

Table of Contents

This structure furthers the objectives of the Company s executive compensation program by providing for:

- a significant percentage of total direct compensation in the form of at risk incentive compensation opportunities;
- the percentage of total direct compensation that is at risk to be higher for executives holding more senior positions within the Company; and
- long-term incentive compensation opportunities to constitute a much greater proportion of total direct compensation than short-term compensation opportunities, thereby encouraging sustained performance over time and promoting executive retention.

The structure also promotes internal pay equity by providing each executive within a given executive grade level with target short-term and long-term incentive compensation opportunities based on the same percentages of base salary. As a result, these executives receive comparable, but not identical, incentive compensation opportunities (since executives within a given executive grade level may receive different base salaries).

Base Salary

The annual base salaries approved by the Compensation Committee typically reflect increases designed to bring executives salaries in line with comparative market data. However, increases may also take into account other factors, such as the individual performances of the executives and the executives relative levels of responsibility and relative potential to affect business results. The Compensation Committee s analysis of the annual base salaries paid to Named Executives in 2007 is discussed under 2007 Compensation of Named Executives below.

Short-Term Incentive Compensation Opportunities

Short-term incentive compensation opportunities are provided to executives through the Company s annual incentive compensation program, which is part of a broader program in which most Company employees participate.

Annual incentive compensation awards typically are based on the short-term business objectives of the business unit(s) for which the executive is responsible, since the executive s actions most directly affect the performance of that unit or units. This was the case for 2007, in which the awards provided to the Chief Executive Officer, Chief Financial Officer and General Counsel were based on the short-term business objectives of the Company as a whole and the awards provided to Named Executives employed by the Company s operating business units were based on the short-term business objectives of their operating business units. However, as discussed below under 2007 Compensation of Named Executives, the objectives applicable to Mr. Labrie s 2007 award were revised following his appointment as President of Con-way Freight in July 2007.

For each annual incentive compensation award, the Compensation Committee approves the performance metrics that will be measured and also approves the specific numerical performance goals that govern the level of payout. Numerical performance goals are set for threshold, interim, target and maximum performance levels. The table below shows the payouts received at each performance level:

Performance Level	Payout
Less than threshold	0
Interim	Interim amount*
Target	Target amount**
At or above maximum	200% of target amount

* The Compensation Committee sets the interim payout at an amount between zero and the target payout, based on its assessment of the difficulty of achieving the specified performance goals.

** For each Named Executive, the target payout is equal to the percentage of annual base salary shown in the Incentive Compensation Opportunities as a Percentage of Base Salary table above.

Table of Contents

For performance levels between threshold and interim, interim and target, or target and maximum, the actual payout is determined by interpolation. The maximum payout that an executive can receive is 200% of the target payout.

Named Executives and other policy-making executive officers of the Company are required to repay overpayments of awards in the event of fraud, or in the event of financial statement restatement occurring within one year following the award payment. To date, the Company has not had any occasion to consider seeking recovery from its executives of performance award overpayments.

For a discussion of how performance goals are set, see Setting Performance Goals for Incentive Compensation Awards below. For a discussion of the performance goals applicable to the 2007 short-term incentive compensation awards granted to each of the Named Executives, as well as 2007 actual performance relative to those goals, see 2007 Compensation of Named Executives below.

Long-Term Incentive Compensation Opportunities

The total dollar values of long-term incentive compensation opportunities for the Named Executives, at target performance levels, are determined based on the multiples of annual base salary shown in the Incentive Compensation Opportunities as a Percentage of Base Salary table above. The total opportunity is then provided to executives through different types of awards stock option awards and other types of awards that have varied over time. The table below shows how these opportunities were provided in each of the years from 2005 through 2007:

Long-term Incentive Compensation Opportunities

Year	50% of opportunity	50% of opportunity
2005	Stock option award	Value Management Plan award
2006	Stock option award	Value Management Plan award
2007	Stock option award	Performance share plan unit award

The historical 50% 50% allocation between stock option awards and other long-term incentive awards is intended to put equal emphasis on shareholder value and operating performance for all executives. By receiving a significant portion of their long-term incentive compensation opportunity in the form of Company stock options, executives have a direct and meaningful incentive to improve the Company s results of operations and prospects so as to increase the Company s stock price. However, executives must achieve specified operating performance objectives in order to receive payouts on the other long-term incentive awards, irrespective of stock price movement.

Stock Option Awards:

Annual stock option grants to the Named Executives are approved by the Compensation Committee, are granted at fair market value and have a term of ten years. The 2007 stock option grants to the Named Executives are discussed below under 2007 Compensation of Named Executives.

The Compensation Committee typically approves schedules of meetings for the upcoming two years. Each schedule of meetings includes a meeting at which annual stock option grants and the other elements of total direct compensation will be approved. The Compensation Committee does not select or revise the meeting date at which it grants stock options in coordination with the release of material non-public information. To our knowledge, no Company stock options have ever been backdated, nor has the exercise price of any outstanding option ever been lowered (other than as part

26

of an equitable adjustment, such as the adjustment that was made when the Company completed the spin-off of Consolidated Freightways Corporation to shareholders in 1996).

Value Management Plan Awards:

Value Management Plan awards measure performance over a three-year cycle, with two-thirds of the award based on a matrix or matrices consisting of EBITDA (earnings before interest, taxes, depreciation and amortization) and ROCE (return on capital employed) and one-third based on Total Shareholder Return (TSR) relative to peer group companies (relative TSR). Value Management Plan awards are payable in cash.

Value Management Plan awards were granted each year from 2000 through 2006. The 2005 2007 award cycle ended at the end of 2007, so the award for the 2006 2008 award cycle is the only Value Management Plan award that remains outstanding.

The Compensation Committee approved EBITDA and ROCE as performance goal metrics for Value Management Plan awards because these metrics:

- reflected meaningful Company goals that were indicative of successful Company performance, with an emphasis on growth and efficient use of capital; and

- were key financial indicators that are closely followed by the Company s shareholders.

The two-thirds portion of the Value Management Plan awards granted to the Named Executives employed by the parent Company are based on EBITDA and ROCE of the Company as a whole, since their actions most directly affect the performance of the Company. For Named Executives employed by the Company s business units, the two-thirds portion of the Value Management Plan awards are typically based in part on EBITDA and ROCE of the operating business unit and in part on EBITDA and ROCE of the Company as a whole. The Compensation Committee s goal in tying a portion of those awards to EBITDA and ROCE of the Company is to create an incentive for those Named Executives to consider the impact of their business decisions not only on the results of operations of their operating business unit but also on the Company as a whole.

TSR combines share price appreciation and dividends paid to show the total return to the shareholder and is used to compare the performance of different companies shares over time. Relative TSR was selected as a performance goal metric to make a portion of the Value Management Plan award dependent on Company performance relative to that of other companies in the transportation industry, rather than performance based on Company-specific metrics such as EBITDA and ROCE. For all executives, the relative TSR portion of the award is based upon the TSR of the Company in comparison to the TSR of the companies that were in the Dow Jones Transportation Average for the entire three-year cycle.

For each Value Management Plan award, the Compensation Committee approved EBITDA/ROCE matrices and a TSR matrix that specify the specific numerical goals that govern the level of payout. Based on the matrices, executives may receive payouts ranging from 0% of target payouts (for performance below specified threshold levels) to 200% of target payouts (for performance at or above specified maximum levels).

For a discussion of how performance goals are set, see Setting Performance Goals for Incentive Compensation Awards below. For a discussion of the performance goals applicable to the Value Management Plan awards granted to each of the Named Executives for the 2005 2007 cycle (along with 2005 2007 actual performance relative to those goals), see 2007 Compensation of Named Executives below.

Table of Contents

The Company s Value Management Plan requires the Company s policy-making executive officers to repay overpayments of awards in the event of fraud, or in the event of financial statement restatement occurring within one year following the award payment. To date, the Company has not had any occasion to consider seeking recovery from its executives of performance award overpayments.

Performance Share Plan Unit Awards:

Performance Share Plan Unit awards measure performance over a three-year cycle and are payable in Company stock. These awards were made to executives for the first time in 2007 for the period 2007 2009.

The Company proposed, and the Compensation Committee approved, the switch from Value Management Plan awards to Performance Share Plan Unit awards in 2007 because:

as performance improves, not only do Company executives earn more Performance Share Plan Units, but also the value of the shares of Company stock received upon vesting of the Performance Share Plan Units is likely to increase, providing even more incentive for executives; and

the Performance Share Plan Unit awards enjoy more favorable accounting treatment through the recognition of expense based on the stock price at the time awards were made and the ability to reverse expense to the extent that the units in fact do not vest.

The performance goals for all Performance Share Plan Unit awards granted to executives in 2007 are based on revenue growth of the Company as a whole, with a profitability limiter. These performance metrics were chosen to encourage all Named Executives to work together to achieve revenue growth that delivers desired levels of profit. The profitability limiter reduces the amount of the award payout that would otherwise be made based on revenue growth if specified levels of profitability are not achieved.

The Compensation Committee approved the specific numerical performance goals that govern the level of payout. Numerical performance goals are set for threshold, target and maximum performance levels. The table below shows the payouts received at each performance level:

Performance Level	Payout
Less than threshold	0
Target	Target amount *
At or above maximum	200% of target amount

* For 2007, the target payout for each Named Executive is equal to 50% of the executive s long-term incentive compensation opportunity (see Long-Term Incentive Compensative Opportunities above).

For performance levels between threshold and target or between target and maximum, the actual payout is determined by interpolation. The maximum payout that an executive can receive is 200% of the target payout.

For a discussion of how performance goals are set, see Setting Performance Goals for Incentive Compensation Awards below. For a discussion of the performance goals applicable to the Performance Share Plan Units granted to each of the Named Executives for the 2007 2009 cycle, see 2007 Compensation of Named Executives below.

Role of Chief Executive Officer in Setting Total Direct Compensation

The role of the Chief Executive Officer in setting total direct compensation is discussed above under Standing Committees Compensation Committee.

Table of Contents

Setting Performance Goals for Incentive Compensation Awards

Short-term incentive compen