CROWN CASTLE INTERNATIONAL CORP
Form PRE 14A
March 28, 2013
Table of Contents

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 x Filed by a Party other than the Registrant ¨

Check the appropriate box:

x Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to §240.14a-12

Crown Castle International Corp.

(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)(1) and 0-11.

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

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

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(1) Amount previously paid:

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

(3) Filing Party:

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Table of Contents

April [   ], 2013

Dear Stockholder:

It is my pleasure to invite you to attend Crown Castle International Corp. s 2013 Annual Meeting of Stockholders (Annual Meeting). The meeting will be held on Thursday, May 23, 2013 at 9:00 a.m. local time at our corporate office, located at 1220 Augusta Drive, Suite 500, Houston, Texas 77057. The Notice of Annual Meeting and Proxy Statement (Proxy Statement) accompanying this letter describe the business to be conducted at the meeting.

The Board of Directors welcomes this opportunity to have a dialogue with our stockholders and looks forward to your comments and questions.

We have elected to furnish proxy materials and our 2012 Annual Report on Form 10-K (2012 Form 10-K) to many of our stockholders over the Internet pursuant to Securities and Exchange Commission rules, which allows us to reduce costs associated with the Annual Meeting. On or about April [   ], 2013, we intend to mail to most of our stockholders a Notice of Internet Availability of Proxy Materials (Proxy Materials Notice) containing instructions on how to access our Proxy Statement and 2012 Form 10-K and how to submit proxies online. All other stockholders will receive a copy of the Proxy Statement and 2012 Form 10-K by mail. The Proxy Materials Notice also contains instructions on how you can elect to receive a printed copy of the Proxy Statement and 2012 Form 10-K, if you only received a Proxy Materials Notice by mail.

It is important that your shares be represented at the meeting, regardless of the number you may hold. *Whether or not you plan to attend, please promptly submit your proxy in one of the ways outlined in the following Notice of Annual Meeting and Proxy Statement in order to have your shares voted at the Annual Meeting*.

I look forward to seeing you on May 23, 2013.

Kind Regards,

J. Landis Martin

Chairman of the Board

Table of Contents

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Thursday, May 23, 2013

9:00 a.m.

1220 Augusta Drive, Suite 500

Houston, Texas 77057

April [ ], 2013

Dear Stockholder:

You are invited to the Annual Meeting of Stockholders of Crown Castle International Corp. The Annual Meeting will be held at the time and place noted above. At the meeting, stockholders will be asked to consider and vote upon the following matters:

- the election of three class III directors: Edward C. Hutcheson, Jr., J. Landis Martin and W. Benjamin Moreland;
- the ratification of the appointment of PricewaterhouseCoopers LLP as our independent registered public accountants for fiscal year 2013;
- a proposal to approve our 2013 Long-Term Incentive Plan;
- an amendment to our Amended and Restated Certificate of Incorporation to declassify our Board of Directors;
- a non-binding, advisory vote regarding the compensation of our named executive officers; and
- such other business as may properly come before the Annual Meeting.

Only stockholders of record at the close of business on March 25, 2013 (Record Date) will be entitled to vote at the meeting or any adjournment or postponement of the meeting. You may submit your proxy in any of the following ways:

- if you received a printed proxy card, mark, sign, date and return the proxy card (see instructions on the Notice of Internet Availability of Proxy Materials (Proxy Materials Notice) on how to request a printed proxy card);
- call the toll-free telephone number shown at the website address listed on your Proxy Materials Notice or on your proxy card; or
- visit the website shown on your Proxy Materials Notice or the proxy card to submit a proxy via the Internet.

Alternatively, you may vote your shares in person at the Annual Meeting.

Have your Proxy Materials Notice or proxy card in front of you when submitting a proxy by telephone or the Internet; it contains important information that is required to access the system.

If you are a stockholder as of the Record Date and plan to attend the Annual Meeting, see I. Information About Voting Annual Meeting Admission in the proxy statement for important requirements relating to attending and voting at the Annual Meeting.

Your vote is important. To be sure your vote counts and to assure a quorum, please submit your proxy in one of the ways outlined above whether or not you plan to attend the Annual Meeting.

By Order of the Board of Directors,

Donald J. Reid

Corporate Secretary

Table of Contents

Table of Contents

I. INFORMATION ABOUT VOTING

Solicitation of Proxies. The Board of Directors (Board) of Crown Castle International Corp. is soliciting proxies for use at our 2013 Annual Meeting of Stockholders (Annual Meeting) and any adjournments or postponements of the Annual Meeting. The Annual Meeting will be held on May 23, 2013 at 9:00 a.m. Central Time at our principal executive offices located at 1220 Augusta Drive, Suite 500, Houston, Texas 77057. This proxy statement (Proxy Statement), the form of proxy and our Annual Report on Form 10-K for the year ended December 31, 2012 (2012 Form 10-K) are being distributed or made available via the Internet to our stockholders on or about April [ ], 2013.

Notice of Internet Availability of Proxy Materials. The Securities and Exchange Commission (SEC) has adopted rules for the electronic distribution of proxy materials. We have elected to provide access to our proxy materials and 2012 Form 10-K on the Internet, instead of mailing the full set of printed proxy materials, which allows us to reduce costs associated with the Annual Meeting. On or about April [ ], 2013, we intend to mail to most of our stockholders a Notice of Internet Availability of Proxy Materials (Proxy Materials Notice) containing instructions on how to access our Proxy Statement and 2012 Form 10-K and how to submit a proxy online. If you receive a Proxy Materials Notice by mail, you will not receive a printed copy of the proxy materials in the mail unless you request it. Instead, the Proxy Materials Notice instructs you on how to access and review all of the important information contained in the Proxy Statement and 2012 Form 10-K. The Proxy Materials Notice also instructs you on how you may submit your proxy over the Internet. If you received a Proxy Materials Notice by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Proxy Materials Notice.

Agenda Items. The agenda for the Annual Meeting is to consider and vote upon the following matters:

- the election of three class III directors: Edward C. Hutcheson, Jr., J. Landis Martin and W. Benjamin Moreland;
- the ratification of the appointment of PricewaterhouseCoopers LLP (PwC) as our independent registered public accountants for fiscal year 2013;
- a proposal to approve our 2013 Long-Term Incentive Plan;
- an amendment to our Amended and Restated Certificate of Incorporation (Charter) to declassify our Board;
- a non-binding, advisory vote regarding the compensation of our named executive officers; and
- such other business as may properly come before the Annual Meeting.

Who can Vote. You can vote at the Annual Meeting if you are, on the Record Date, a holder of record of our common stock, par value of $0.01 per share (Common Stock). The record date for determining the stockholders entitled to notice of, and to vote at, the Annual Meeting is the close of business on March 25, 2013 (Record Date). Holders of Common Stock will have one vote for each share of Common Stock owned of record as of the Record Date. As of the close of business on the Record Date, there were 293,771,739 shares of Common Stock outstanding.

A complete list of the stockholders entitled to vote at the meeting will be available for examination by any stockholder of record at our offices at 1220 Augusta Drive, Suite 500, Houston, Texas 77057 for a period of 10 days prior to the Annual Meeting. The list will also be available for examination by any stockholder of record present at the Annual Meeting.

How to Vote. You may submit your proxy for your shares in any of the following ways:

if you receive a printed proxy card, mark, sign, date and return the proxy card (see instructions on the Proxy Materials Notice on how to request a printed proxy card);

Table of Contents

call the toll-free telephone number shown at the website address listed on your Proxy Materials Notice or on your proxy card; or

visit the website shown on your Proxy Materials Notice or the proxy card to submit a proxy via the Internet.

Alternatively, you may vote in person at the Annual Meeting (if you are a beneficial owner whose shares are held in the name of a bank, broker or other nominee, you must obtain a legal proxy, executed in your favor, from the stockholder of record (that is, your bank, broker or nominee) to be able to vote at the Annual Meeting).

Have your Proxy Materials Notice or proxy card in front of you when submitting a proxy by telephone or the Internet; it contains important information that is required to access the system.

Use of Proxies. All proxies that have been properly submitted whether by Internet, telephone or mail and not revoked will be voted at the Annual Meeting in accordance with your instructions. If you sign your proxy card but do not give voting instructions, the shares represented by that proxy will be voted as recommended by the Board. The Board recommends the following vote for each of the proposals to be considered and voted upon at the Annual Meeting:

FOR the election of the three class III director nominees named in this Proxy Statement (Proposal 1);

FOR the ratification of the appointment of PwC as our independent registered public accountants for fiscal year 2013 (Proposal 2);

FOR the proposal to approve our 2013 Long-Term Incentive Plan (Proposal 3);

FOR the amendment to our Charter to declassify our Board (Proposal 4); and

FOR the non-binding, advisory vote regarding the compensation of our named executive officers (Proposal 5).

If any other matters are properly presented at the Annual Meeting for consideration and if you have submitted a proxy for your shares by Internet, telephone or mail, the persons named as proxies in the proxy card will have the discretion to vote on those matters for you. At the date we filed this Proxy Statement with the SEC, we do not know of any other matters to be raised at the Annual Meeting.

Revoking a Proxy. You may revoke your proxy at any time before it is exercised. You can revoke a proxy by:

delivering a timely written notice of revocation to our Corporate Secretary, Crown Castle International Corp., 1220 Augusta Drive, Suite 500, Houston, Texas 77057;

submitting a timely, later-dated proxy by Internet, telephone or mail (see instructions on your Proxy Materials Notice or proxy card); or

attending the Annual Meeting and voting in person (see How to Vote above and Annual Meeting Admission below in this I. Information About Voting regarding voting at the meeting if your shares are held in the name of a bank, broker or other nominee). Attendance at the meeting alone will not constitute a revocation of a proxy.

The Quorum Requirement. A quorum of stockholders is needed to hold a valid Annual Meeting. A quorum will exist to hold a valid Annual Meeting if the holders of at least a majority in voting power of the outstanding shares of Common Stock entitled to vote at the Annual Meeting attend the Annual Meeting in person or are represented by proxy. Abstentions and broker non-votes are counted as present for the purpose of establishing a quorum.

Table of Contents

Vote Required for Action. Each director shall be elected (Proposal 1) by a majority of the votes cast by the holders of shares of Common Stock entitled to vote and present in person or represented by proxy (a majority of the votes cast means that, to be elected, the number of votes cast for a nominee must exceed the number of votes cast against the nominee). The affirmative vote of the holders of a majority of the voting power of the shares of Common Stock present in person or represented by proxy at the annual meeting and entitled to vote on such matter is required to approve each of (1) the ratification of PwC as our independent registered public accountants for fiscal year 2013 (Proposal 2), (2) the proposal to approve our 2013 Long-Term Incentive Plan (Proposal 3) and (3) the non-binding, advisory resolution regarding the compensation of our named executive officers (Proposal 5). The affirmative vote of the holders of at least 80% of the voting power of the outstanding shares of Common Stock entitled to vote on such matter as of the Record Date shall be required to approve the amendment to our Charter to declassify our Board (Proposal 4).

Generally, all other actions which may come before the Annual Meeting require the affirmative vote of the holders of a majority of the voting power of the shares of Common Stock present in person or represented by proxy at the Annual Meeting and entitled to vote on such matters.

With respect to all proposals other than the election of directors (Proposal 1) and the proposal to amend our Charter to declassify our Board (Proposal 4), abstentions have the same effect as votes against, and broker non-votes have no effect. With respect to the election of directors, abstentions and broker non-votes are not counted as a vote cast for or against a nominee. With respect to the proposal to amend our Charter to declassify our Board, abstentions and broker non-votes have the same effect as votes against.

Annual Meeting Admission. You may attend the meeting if you are (1) a stockholder of record, (2) a legal proxy for a stockholder of record, or (3) a beneficial owner with evidence of ownership as of the Record Date (such as a letter from the bank, broker or other nominee through which you hold your shares confirming your ownership or a bank or brokerage firm account statement). If you are a stockholder of record who plans to attend the Annual Meeting, please mark the appropriate box on your proxy card (or note your intention to attend when prompted via Internet or telephone proxy submission). For all attendees, a valid picture identification must be presented in order to attend the meeting.

As noted above in How to Vote of this section I. Information About Voting, if you are a beneficial owner and wish to vote at the Annual Meeting, you must obtain a legal proxy, executed in your favor, from the bank, broker or other nominee through which you hold your shares and present it at the Annual Meeting. To request a legal proxy please follow the instructions at the website listed on the Proxy Materials Notice.

If you are a beneficial owner and plan to attend the meeting in person, please send written notification in advance of the Annual Meeting to our Corporate Secretary at Crown Castle International Corp., 1220 Augusta Drive, Suite 500, Houston, Texas 77057, and enclose a copy of (1) evidence of your ownership as of the Record Date or (2) a legal proxy, executed in your favor, from the institution through which you hold your shares.

Table of Contents

II. PROPOSALS

1. Election of Directors

We have three classes of directors of as nearly equal size as possible. The term for each class is three years. Class terms expire on a rolling basis, so that one class of directors is elected each year. The term for current class III directors (Edward C. Hutcheson, Jr., J. Landis Martin and W. Benjamin Moreland) expires at the Annual Meeting.

The nominees for class III directors this year are: Edward C. Hutcheson, Jr., J. Landis Martin and W. Benjamin Moreland.

In accordance with our Bylaws, each incumbent director nominee has tendered an irrevocable resignation that will be effective upon (1) failure to receive the required vote for election at the Annual Meeting and (2) the Board s subsequent acceptance of such resignation. If an incumbent director nominee fails to receive the required vote for re-election, the Nominating & Corporate Governance Committee (NCG Committee) and the Board should act to determine whether to accept or reject the resignation, or whether other action should be taken.

Each nominee has consented to be nominated and has expressed his or her intention to serve if elected. The Board expects that each of the nominees for class III directors will be able and willing to serve as a director. If any nominee is not available, the proxies may be voted for another person nominated by the current Board to fill the vacancy, or the size of the Board may be reduced. Information about the nominees, the continuing directors and the Board is contained in the next section of this Proxy Statement (see III. Board of Directors).

The Board recommends a vote FOR the election of Edward C. Hutcheson, Jr., J. Landis Martin and W. Benjamin Moreland as class III directors.

Table of Contents

2. Ratification of Appointment of Independent Registered Public Accountants

The Audit Committee of the Board (Audit Committee) has appointed PwC to continue to serve as our independent registered public accountants for fiscal year 2013. In the event the stockholders do not ratify the appointment, the appointment will be reconsidered by the Audit Committee. Approval of the resolution will in no way limit the Audit Committee s authority to terminate or otherwise change the engagement of PwC for fiscal year 2013.

We were billed for professional services provided with respect to fiscal years 2012 and 2011 by PwC in the amounts set forth in the following table.

Services Provided	2012	2011
Audit Fees(a)	$ 2,154,000	$ 1,287,000
Audit-Related Fees(b)	40,000	65,000
Tax Fees(c)	392,000	433,000
All Other Fees(d)	5,000	5,000
Total	$ 2,591,000	$ 1,790,000

(a) Represents the aggregate fees billed for professional services rendered by PwC for the audit of our annual financial statements, review of financial statements included in our quarterly reports on Form 10-Q, services related to the audit of internal control over financial reporting, and other services normally provided by our principal auditor in connection with statutory and regulatory filings or engagements. The increase in Audit Fees from 2011 to 2012 is primarily related to procedures performed in connection with 2012 acquisitions and registration statements.

(b) Represents the aggregate fees billed for assurance and related services by PwC that are reasonably related to the performance of the audit or review of our financial statements not reported as Audit Fees. Audit-related fees for 2012 and 2011 primarily relate to services in connection with audits of employee benefit plans.

(c) Represents the aggregate fees billed for professional services rendered by PwC for tax compliance, tax advice and tax planning.

(d) Represents the aggregate fees billed for products and service provided by PwC other than those reported as audit, audit-related or tax fees above, and primarily relates to licenses for technical accounting research software.

We expect a representative of PwC to attend the Annual Meeting. The representative will have an opportunity to make a statement if he or she desires and also will be available to respond to appropriate questions.

The Board recommends a vote FOR ratification of the appointment of PwC as our independent registered public accountants for fiscal year 2013.

Table of Contents

3. Proposal to Approve Our 2013 Long-Term Incentive Plan

At the Annual Meeting, the stockholders will be asked to approve the adoption of our 2013 Long-Term Incentive Plan (2013 Plan), a copy of which is attached hereto as *Appendix A*. The 2013 Plan is a broad-based incentive plan that provides for the granting of awards to our employees, directors and consultants.

The 2013 Plan is intended to replace our 2004 Stock Incentive Plan, as amended (2004 Plan), as the term for granting awards under the 2004 Plan currently expires in February 2014. While the 2013 Plan, like the 2004 Plan, is a broad-based incentive plan providing for the grant of a variety of awards, the only types of awards we have ever issued pursuant to the 2004 Plan are Restricted Stock and Stock Awards (defined below). The 2013 Plan is generally consistent in substance with the 2004 Plan, but with several key updates, including:

- inclusion of RSU Awards (defined below) as an award alternative;
- updated performance goals that may be utilized in connection with Performance Awards (defined below);
- provisions relating to certain tax matters, including Section 162(m) and Section 409A (defined below);
- provisions relating to recoupment of compensation awarded to executives in certain circumstances consistent with our policies as may be established in compliance with Section 954 of the Dodd-Frank Act (defined below).

The 2013 Plan is proposed to enable us to provide a means to continue to attract able directors, employees, and consultants and to provide a means whereby those individuals upon whom the responsibilities rest for our successful administration and management, and whose present and potential contributions are of importance, can acquire and maintain Common Stock ownership, thereby strengthening their concern for our welfare. A further purpose of the 2013 Plan is to provide such individuals with additional incentive and reward opportunities designed to enhance our profitable growth. Accordingly, the 2013 Plan provides for the following:

- discretionary grants to our (or our affiliates) employees, consultants, and directors of (a) shares of Common Stock that are subject to restrictions on disposition and forfeiture to us under certain circumstances (Restricted Stock), (b) restricted stock unit awards (RSU Awards), (c) shares of Common Stock, without satisfaction of any performance criteria or objectives (Stock Awards), (d) stock options that do not constitute Incentive Stock Options (Non-statutory Stock Options), (e) stock appreciation rights (Stock Appreciation Rights), (f) shares of Common Stock, cash payments, or a combination thereof that may be earned based on the satisfaction of various performance measures (Performance Awards), and (g) the right to receive the value of shares of Common Stock, cash payments or a combination thereof which vest over a period of time (Phantom Stock Awards); and
- discretionary grants to our employees or the employees of our subsidiary corporations of stock options that constitute incentive stock options as defined in Section 422 of the Internal Revenue Code of 1986, as amended (Code) (Incentive Stock Options).

The Board adopted the 2013 Plan on February 21, 2013, subject to stockholder approval at the Annual Meeting. If the 2013 Plan is not approved by our stockholders at the Annual Meeting, then no awards will be granted under the 2013 Plan. If the 2013 Plan is approved by our stockholders at the Annual Meeting, pursuant to an amendment to our 2004 Plan approved by the Board on February 21, 2013, we will not issue any new awards under our 2004 Plan on or after the date of such stockholder approval; provided, that the 2004 Plan and the applicable award agreements will continue to govern any outstanding awards previously issued under the 2004 Plan. The 2004 Plan is our only other existing compensatory plan under which equity awards relating to shares of Common Stock can currently be granted. As of March 25, 2013, the aggregate number of shares of Common Stock that remain available to be issued under the 2004 Plan is 6,124,585 shares.

No awards have been made under the 2013 Plan, and the amount of any benefits cannot be determined at this time.

Reasons the Board Recommends Voting For Approval of the 2013 Plan

The Board believes that encouraging our employees, directors and consultants to own shares of our Common Stock fosters broad alignment between the interests of employees, directors and consultants and the interests of our stockholders. The Board also believes that the 2013 Plan will help us to attract, motivate and retain talented, qualified employees and consultants.

Matters Considered by the Board

In determining to adopt the 2013 Plan (including the number of shares issuable thereunder) and to recommend it to our stockholders for approval, in addition to the reasons noted above, the Board considered a stockholder cost analysis and burn rate analysis prepared by an independent third party consultant (Plan Consultant). The Plan Consultant s analysis includes an estimate that the stockholder cost percentage resulting from the implementation of the 2013 Plan could be 5.06%, which is below the 7% dilutive impact threshold noted by the Plan Consultant. The stockholder cost percentage was computed by the Plan Consultant as the estimated cost of the 2013 Plan to stockholders expressed as a percentage of our estimated total market value. The Plan Consultant s analysis indicated that our average burn rate over the three year period from 2010 to 2012 was 1.05% (calculated utilizing the Plan Consultant s internal burn rate formula) as compared to an industry burn rate threshold of 4.85%. The average burn rate over the three fiscal years was calculated by the Plan Consultant as the average of the number of shares underlying awards granted in each such fiscal year divided by the weighted average common shares outstanding for that fiscal year. The Plan Consultant s burn rate formula differs from our internal burn rate formula in that it applies a multiplier to full value awards (shares underlying restricted stock awards and other full value awards for which the participant does not pay for the shares), resulting in a higher burn rate.

Potential Impacts of Approval of the 2013 Plan by the Stockholders

The Board believes that adopting the 2013 Plan is in the best interest of the stockholders as the Board believes that granting equity-based compensation will incentivize our employees, directors and consultants to work to achieve stock price appreciation and will better enable us to attract and retain talented, qualified employees and consultants. Implementing the 2013 Plan would dilute the interests of stockholders as the number of shares outstanding would increase as a result of the implementation of the 2013 Plan. While it is not possible to predict with precision the dilutive effect that the approval of the 2013 Plan may have on our stockholders, as noted above, the Plan Consultant s analysis indicates that the stockholder cost percentage is estimated to be 5.06%.

Below is a summary of the terms of the 2013 Plan that is qualified in its entirety by reference to the full text of the 2013 Plan which is attached to this Proxy Statement as *Appendix A*.

Administration

The 2013 Plan will be administered by a committee (for purposes of this Proposal 3, Committee) appointed by the Board that will be comprised solely of two or more non-employee directors who also

Table of Contents

qualify as outside directors (within the meaning assigned to such term under Section 162(m) of the Code (Section 162(m))) and as Non-Employee Directors as defined in Rule 16b-3 of the Exchange Act. The Board has appointed the Compensation Committee to initially administer the 2013 Plan.

The Committee will have full authority, subject to the terms of the 2013 Plan, to establish rules and regulations for the proper administration of the 2013 Plan, to select the employees, directors and consultants to whom awards are granted, and to set the dates of grants, the types of awards that shall be made and the other terms of the awards. When granting awards, the Committee will consider such factors as an individual s duties and present and potential contributions to our success and such other factors as the Committee in its discretion shall deem relevant. The Committee may also correct any defect or supply any omission or reconcile any inconsistency in the 2013 Plan or in any agreement relating to an award in the manner and to the extent it shall deem expedient to carry it into effect.

Number of Shares Subject to the 2013 Plan and Award Limits

The aggregate maximum number of shares of Common Stock that may be issued under the 2013 Plan will be 12,500,000 shares (Plan Share Limit). The number of shares of Common Stock that are the subject of awards under the 2013 Plan which are forfeited or terminated, expire unexercised, are settled in cash in lieu of shares of Common Stock or in a manner such that all or some of the shares covered by an award are not issued to a participant or are exchanged for awards that do not involve shares will again immediately become available to be issued pursuant to awards granted under the 2013 Plan. If shares of Common Stock are withheld from payment of an award to satisfy tax obligations with respect to the award, those shares will be treated as shares that have been issued under the 2013 Plan and will not again be available for issuance under the 2013 Plan. If shares of Common Stock are tendered in payment of an option price of an option or the exercise price of a SAR, those shares will not be available for issuance under the 2013 Plan.

The aggregate number of shares of Common Stock with respect to which Incentive Stock Options may be granted under the 2013 Plan is 1,000,000 shares. The maximum aggregate number of shares of Common Stock that may be subject to options granted in any one calendar year to any one employee is 1,000,000 shares, determined as of the dates of grant. The maximum aggregate number of shares of Common Stock that may be granted pursuant to Stock Appreciation Rights granted in any one calendar year to any one employee is 1,000,000 shares, determined as of the dates of grant. The maximum aggregate grant with respect to Performance Awards made in any one calendar year to any one employee that are payable in shares of Common Stock is 400,000 shares of Common Stock, determined as of the date of grant. The maximum aggregate amount awarded or credited with respect to Performance Awards to any one employee in any one calendar year that are payable in cash may not exceed $15,000,000 in value, determined as of the date of grant.

The limitations described above may be adjusted upon a subdivision or consolidation of shares of Common Stock or other capital readjustment, the payment of a stock dividend on Common Stock, or other increase or reduction in the number of shares of Common Stock outstanding without receipt of consideration by our company.

Eligibility

All of our (and our affiliates) employees, directors and consultants are eligible to participate in the 2013 Plan. The selection of those employees, directors and consultants, from among those eligible, who will receive Incentive Stock Options, Non-statutory Stock Options, Stock Awards, Restricted Stock awards, Performance Awards, Phantom Stock Awards, Stock Appreciation Rights or RSU Awards or any combination thereof is within the discretion of the Committee. However, Incentive Stock Options may be granted only to our employees and employees of our subsidiary corporations. We currently have nine non-employee directors, six executive officers and approximately 1600 other employees that would be eligible to participate in the 2013 Plan.

Term of 2013 Plan

The 2013 Plan will be effective as of February 21, 2013, the date of its adoption by the Board, provided the 2013 Plan is approved by our stockholders at the Annual Meeting. No further awards may be granted under the 2013 Plan after February 21, 2023, and the 2013 Plan will terminate thereafter once all awards have been satisfied, exercised or expire. The Board in its discretion may terminate the 2013 Plan at any time with respect to any shares of Common Stock for which awards have not theretofore been granted.

Restricted Stock

a. ***Transfer Restrictions and Forfeiture Obligations.*** Pursuant to a Restricted Stock award, shares of Common Stock will be issued or delivered to the employee, director or consultant at the time the award is made without any payment to us (other than for any payment amount determined by the Committee in its discretion), but such shares will be subject to certain restrictions on the disposition thereof and certain obligations to forfeit and surrender such shares to us as may be determined in the discretion of the Committee. The Committee may provide that the restrictions on disposition and the obligations to forfeit the shares will lapse based on (i) the attainment of one or more performance measures established by the Committee, (ii) the continued employment or service with us or our affiliates for a specified period or (iii) the occurrence of any event or the satisfaction of any other condition specified by the Committee in its sole discretion. Upon the issuance of shares of Common Stock pursuant to a Restricted Stock award, except for the foregoing restrictions and unless otherwise provided, the recipient of the award will have all the rights of a stockholder with respect to such shares, including the right to vote such shares and to receive all dividends paid with respect to such shares, which dividends will accrue and be paid when the forfeiture restrictions applicable to the Restricted Stock award have lapsed. At the time of such award, the Committee may, in its sole discretion, prescribe additional terms, conditions, or restrictions relating to Restricted Stock awards, including rules pertaining to the effect of the termination of employment or service as a director or consultant of a recipient of Restricted Stock (by reason of retirement, disability, death or otherwise) prior to the lapse of any applicable restrictions.

b. ***Accelerated Vesting.*** The Committee may, in its discretion, fully vest (i.e., cause the lapse of forfeiture restrictions with respect to) any outstanding Restricted Stock award as of a date determined by the Committee.

c. ***Other Terms and Conditions.*** The Committee may establish other terms and conditions for the issuance of Restricted Stock under the 2013 Plan.

Restricted Stock Unit Awards

a. ***RSU Awards***. An RSU Award will be similar in nature to a Restricted Stock Award except that no shares of Common Stock or cash will be transferred to the holder of the award until the applicable

vesting restrictions lapse or performance conditions have been satisfied. The amount of, and the vesting and the transferability restrictions applicable to, any RSU Award will be determined by the Committee in its sole discretion. The Committee will maintain a bookkeeping ledger account that reflects the number of restricted stock units credited under the 2013 Plan for the benefit of a holder.

b. ***RSU Award Agreement***. Each RSU Award will be evidenced by an award agreement that contains any substantial risk of forfeiture (within the meaning of Section 409A of the Code (Section 409A)), vesting and transferability restrictions, form and time of payment provisions and other provisions not inconsistent with the 2013 Plan as the Committee may specify. An RSU Award agreement may provide for the payment of dividend equivalents.

c. ***Form of Payment Under RSU Award***. Payment under an RSU Award will be made in cash or shares of Common Stock as specified in the applicable award agreement.

Table of Contents

d. ***Time of Payment Under RSU Award***. Payment to a holder under an RSU Award shall be made at the time specified in the applicable award agreement. The award agreement will specify that the payment will be made (i) by a date that is no later than the date that is two and one-half months after the end of the fiscal year in which the RSU Award payment is no longer subject to a substantial risk of forfeiture or (ii) at a time that is permissible under Section 409A.

Stock Awards

a. ***Award.*** Stock Awards are rights to receive shares of Common Stock, which vest immediately, without satisfaction of any performance criteria or objectives.

b. ***Payment.*** A Stock Award entitles the recipient to receive immediate payment of such award in Common Stock. The Committee may, in its discretion, require payment, partial payment or other conditions of the recipient relating to any Stock Award.

c. ***Other Terms and Conditions.*** The Committee may establish other terms and conditions for Stock Awards under the 2013 Plan.

Stock Options

a. ***Term of Option.*** The term of each option will be as specified by the Committee at the date of grant but shall not be exercisable more than ten years after the date of grant. The effect of the termination of an optionee s employment, consulting relationship, or membership on the Board will be specified in the option agreement that evidences each option grant.

b. ***Option Price***. The option price will be determined by the Committee and, in the case of an Incentive Stock Option, may not be less than the fair market value of a share of Common Stock on the date that the option is granted.

c. ***Repricing Restrictions.*** Except for adjustments for certain changes in the Common Stock, the Committee may not, without the approval of our stockholders, amend any outstanding option agreement that evidences an option grant to lower the option price (or cancel and replace any outstanding option agreement with an option agreement having a lower option price). In addition, the Committee may not lower the option price (or cancel and replace any outstanding option agreement with an option agreement having a lower option price) to the extent that doing so would subject the holder to additional taxes under Section 409A.

d. ***Special Rules for Certain Stockholders.*** If an Incentive Stock Option is granted to an employee who then owns, directly or by attribution under the Code, stock possessing more than 10% of the total combined voting power of all classes of our stock or the stock of a subsidiary of ours, then the term of the option may not exceed five years, and the option price will be at least 110% of the fair market value of the shares on the date that the option is granted.

e. ***Size of Grant.*** Subject to the limitations described above under the section Number of Shares Subject to the 2013 Plan and Award Limits, the number of shares for which an option is granted to an employee, director or consultant will be determined by the Committee.

f. ***Status of Options.*** The status of each option granted to an employee as either an Incentive Stock Option or a Non-statutory Stock Option will be designated by the Committee at the time of grant. Unless an option is specifically characterized by the Committee as an Incentive Stock Option it will be a Non-statutory Stock Option. If, however, the aggregate fair market value (determined as of the date of grant) of shares with respect to which Incentive Stock Options become exercisable for the first time by an employee exceeds $100,000 in any calendar year, the options with respect to the excess shares will be Non-statutory Stock Options. All options granted to any non-employee directors and consultants will be Non-statutory Stock Options.

g. ***Payment.*** The option price upon exercise may be paid by an optionee in any combination of the following: (a) cash, certified check, bank draft or postal or express money order for an amount equal to the option price under the option, (b) an election to make a cashless exercise through a registered broker-dealer (if approved in advance by the Committee or one of our executive officers) or (c) any other form of payment which is acceptable to the Committee.

h. ***Option Agreement.*** All options will be evidenced by a written agreement containing provisions consistent with the 2013 Plan and such other provisions as the Committee deems appropriate. The terms and conditions of the respective option agreements need not be identical. The Committee may, with the consent of the participant, amend any outstanding option agreement in any manner not inconsistent with the provisions of the 2013 Plan, including amendments that accelerate the exercisability of the option.

Stock Appreciation Rights

a. ***Term of Stock Appreciation Right.*** The term of each Stock Appreciation Right will be as specified by the Committee at the date of grant but shall not be exercisable more than ten years after the date of grant.

b. ***Stock Appreciation Rights Agreement***. All Stock Appreciation Rights will be evidenced by a written agreement containing provisions consistent with the provisions of the 2013 Plan and such other provisions as the Committee deems appropriate. The terms and conditions of the respective Stock Appreciation Rights agreements need not be identical. The Committee may, with the consent of the participant, amend an outstanding Stock Appreciation Right agreement in any manner that is not inconsistent with the provisions of the 2013 Plan, including amendments that accelerate the time at which the Stock Appreciation Right may be exercisable. Unless otherwise provided in a Stock Appreciation Rights agreement, upon the exercise of a Stock Appreciation Right, a holder will be entitled to receive payment from us in an amount determined by multiplying (i) the difference between the value of a share of Common Stock on the date of exercise over the grant price by (ii) the number of shares of Common Stock with respect to which the Stock Appreciation Right is exercised. The per share grant price for a Stock Appreciation Right will be established on the date of grant of the Stock Appreciation Right. At the discretion of the Committee, the payment made to a holder upon the exercise of a Stock Appreciation Right may be in cash, in shares of Common Stock or in some combination of cash and Common Stock.

c. ***Repricing Restrictions.*** Except for adjustments for certain changes in the Common Stock, the Committee may not, without the approval of our stockholders, amend any outstanding Stock Appreciation Right agreement to lower the Stock Appreciation Right grant price (or cancel and replace any outstanding Stock Appreciation Right with Stock Appreciation Rights agreements having a lower Stock Appreciation Right grant price). In addition, the Committee may not lower the Stock Appreciation Right grant price (or cancel and replace any outstanding Stock Appreciation Right with Stock Appreciation Rights agreements having a lower Stock Appreciation Right grant price) to the extent that doing so would subject the holder to additional taxes under Section 409A.

Performance Awards

a. ***Grant of Performance Awards.*** The Committee, at any time, may grant Performance Awards under the 2013 Plan to eligible persons in such amounts and upon such terms as the Committee may

Table of Contents

determine. The amount of, the vesting and the transferability restrictions applicable to any Performance Award will generally be based upon the attainment of performance goals as the Committee may determine. The performance period for any Performance Award will not be less than one year.

As noted above, all of our (and our affiliates) employees are eligible to receive grants of Performance Awards. The maximum aggregate grant with respect to Performance Awards made in any one calendar year to any one employee that are payable in shares of Common Stock is 400,000 shares of Common Stock, determined as of the date of grant. The maximum aggregate amount awarded or credited with respect to Performance Awards to any one employee in any one calendar year that are payable in cash may not exceed $15,000,000 in value, determined as of the date of grant.

b. ***Performance Goals.*** The 2013 Plan provides that a performance goal must be objective so that a third party having knowledge of the relevant facts could determine whether the goal is met. A performance goal may be based on one or more business criteria that apply to the holder, one or more of our business units, or us as a whole, with reference to one or more of the following: stock price (including adjustments for dividends), funds from operations, adjusted funds from operations, earnings or adjusted earnings before or after interest, taxes, depletion, depreciation or amortization, earnings per share, earnings per share growth, total shareholder return, economic value added, cash return on capitalization, increased revenue, revenue ratios (per employee or per customer), net income (before or after taxes), market share, return on equity, return on assets, return on capital, return on capital compared to cost of capital, return on capital employed, return on invested capital, return on investment, return on sales, operating or profit margins, shareholder value, net cash flow, operating income, cash flow, cash flow from operations, cost reductions or cost savings, cost ratios (per employee or per customer), expense control, sales, proceeds from dispositions, project completion time, budget goals, net cash flow before financing activities, customer growth, total capitalization, debt to total capitalization ratio, credit quality or debt ratings, dividend payout, dividend growth, production volumes or safety results. Goals may also be based on performance relative to a peer group of companies. A performance goal need not be based upon an increase or positive result under a particular business criterion and could include, for example, maintaining the status quo or limiting economic losses (measured, in each case, by reference to specific business criteria). Performance goals may be determined by including or excluding, in the Committee s discretion, items that are determined to be extraordinary, unusual in nature, infrequent in occurrence, related to the disposal or acquisition of a segment of a business, or related to a change in accounting principal, in each case, based on Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 225-20, *Income Statement, Extraordinary and Unusual Items*, and FASB ASC 830-10, *Foreign Currency Matters*, *Overall*, or other applicable accounting rules, or consistent with our accounting policies and practices in effect on the date the performance goal is established. In interpreting 2013 Plan provisions applicable to performance goals and performance awards, it is intended that the 2013 Plan conform with the standards of Section 162(m).

c. ***Performance Award Agreement.*** Each Performance Award will be evidenced by an agreement that contains any vesting or transferability restrictions, performance goals, payment provisions and other provisions not inconsistent with the 2013 Plan as the Committee may specify. The terms and provisions of the respective Performance Award agreements need not be identical.

d. ***Time of Establishment of Performance Goals.*** With respect to a covered employee (as defined in Section 162(m)), a performance goal for a particular Performance Award must be established by the Committee prior to the earlier to occur of (i) 90 days after the commencement of the period of service to which the performance goal relates or (ii) the lapse of 25% of the period of service, and in any event while the outcome is substantially uncertain.

e. ***Payment.*** Payment under a Performance Award may be made in cash or shares of Common Stock, as specified in the holder s award agreement. Unless a Performance Award is structured as a current transfer of shares of Common Stock subject to a risk of forfeiture in the event performance goals are not achieved, a holder s payment under a Performance Award will be made at the time specified in the applicable award agreement. The award agreement will specify that any payment will be made (i) by a date that is no later than the date that is two and one-half months after the end of the calendar year in which the Performance Award payment is no longer subject to a substantial risk of forfeiture or (ii) at a time that is permissible under Section 409A.

The amount of compensation payable under a performance award may not be increased. If the time at which a performance award will vest or be paid is accelerated for any reason, the number of shares of Common Stock subject to, or the amount payable under, the Performance Award will be reduced pursuant to Department of Treasury Regulation § 1.162-27(e)(2)(iii) to reasonably reflect the time value of money.

f. ***Dividends and Dividend Equivalents.*** Holders of Performance Awards will not be entitled to the payment of dividend equivalents under the award, unless the payment of dividend equivalents will be subject to the same performance conditions as apply to the Performance Award. In the case of a Performance Award that is payable in shares of Common Stock, if the holder becomes entitled to the payment of dividends paid in shares of Common Stock with respect to the Performance Award, these dividends will be added to the Performance Award and will be subject to the satisfaction of the same performance conditions as apply to the underlying Performance Award.

Phantom Stock Awards

a. ***Forfeiture.*** Phantom Stock Awards under the 2013 Plan are awards of rights to receive the value of shares of Common Stock. Such awards vest over a period of time established by the Committee, without satisfaction of any performance criteria or objectives. The Committee may, in its discretion, require payment or other conditions of the recipient of a Phantom Stock Award. A Phantom Stock Award will terminate if the recipient s employment or service as a director or consultant with us and our affiliates terminates during the applicable vesting period, except as otherwise determined by the Committee.

b. ***Payment.*** Following the end of the vesting period for a Phantom Stock Award (or at such other time as may be provided in a Phantom Stock Award agreement), the holder of a Phantom Stock Award will be entitled to receive payment of the an amount not exceeding the maximum value of the Phantom Stock Award, based on the then vested value of the award. Payment of a Phantom Stock Award may be made in cash, Common Stock, or a combination thereof.

c. ***Other Terms and Conditions.*** The Committee may establish other terms and conditions for Phantom Stock Awards under the 2013 Plan.

Corporate Change and Other Adjustments

The 2013 Plan provides that, upon a Corporate Change (as hereinafter defined), the Committee generally may accelerate the vesting of options and Stock Appreciation Rights, cancel options and Stock Appreciation Rights and cause us to make payments in respect thereof in cash, or adjust the outstanding options and Stock Appreciation Rights as appropriate to reflect such Corporate Change (including, subject to certain conditions, having some or all of the then outstanding options and Stock Appreciation Rights (whether vested or unvested) assumed or having a new award of a similar nature substituted for some or all of their then outstanding options and Stock Appreciation Rights under the 2013 Plan (whether vested or unvested) by an entity which is a party to the transaction resulting in such Corporate Change). The 2013 Plan provides that a Corporate Change occurs if (i) we are not the surviving entity in any merger or consolidation or other reorganization (or we survive only as a subsidiary of an entity other than an entity that was directly or indirectly wholly-owned by us

Table of Contents

immediately prior to such merger, consolidation or other reorganization), (ii) we sell, lease or exchange all or substantially all of our assets to any other person (other than an entity that is directly or indirectly wholly owned by us), (iii) we are to be dissolved, (iv) any person or group acquires or gains ownership or control of more than 50% of the outstanding shares of our voting stock, (v) as a result of a contested election of directors, the persons who were our directors before the election cease to constitute a majority of our Board or (vi) we are party to any other corporate transaction (as defined under section 424(a) of the Code and applicable Department of Treasury regulations) that is not described in clauses (i), (ii), (iii), (iv) or (v). With respect to awards under the 2013 Plan other than options and Stock Appreciation Rights, upon changes in our capitalization the Committee generally may make appropriate adjustments to the awards.

The maximum number of shares that may be issued under the 2013 Plan and the maximum number of shares that may be issued to any one individual and the other individual award limitations, as well as the number and price of shares of Common Stock or other consideration subject to an award under the 2013 Plan, will be appropriately adjusted by the Committee in the event of changes in the outstanding Common Stock by reason of recapitalizations, reorganizations, mergers, consolidations, combinations, split-ups, split-offs, spin-offs, exchanges or other relevant changes in capitalization or distributions to the holders of Common Stock occurring after an award is granted.

Transferability

An Incentive Stock Option is not transferable other than by will or the laws of descent and distribution, and may be exercised during the employee s lifetime only by the employee or such employee s guardian or legal representative. All other awards under the 2013 Plan are not transferable other than by will or the laws of descent and distribution, pursuant to a qualified domestic relations order, or with the consent of the Committee (as to certain family transfers, or otherwise).

Amendments

The Board may from time to time amend the 2013 Plan; however, any change that would impair the rights of a participant with respect to an award theretofore granted will require the participant s consent. Further, without the prior approval of our stockholders, the Board may not amend the 2013 Plan to change the class of eligible individuals, increase the number of shares of Common Stock that may be issued under the 2013 Plan, or amend or delete the provisions of the 2013 Plan that prevent the Committee from amending any outstanding option or Stock Appreciation Right agreement to lower the option price or Stock Appreciation Right grant price (or cancel and replace any outstanding option agreement with an option agreement having a lower option price or cancel and replace any outstanding Stock Appreciation Right agreement with a Stock Appreciation Right agreement having a lower grant price).

Recoupments in Restatement Situations

If we are required to prepare an accounting restatement due to our material noncompliance with any financial reporting requirement under applicable securities laws, a recipient of an award under the 2013 Plan who was or is then one of our executive officers will forfeit and must repay to us any compensation awarded to him under the 2013 Plan to the extent specified in any of our recoupment policies established or amended (now or in the future) in compliance with the rules and standards of the SEC under or in connection with Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).

Table of Contents

Federal Income Tax Aspects of the 2013 Plan

The following discussion summarizes certain material U.S. federal income tax consequences to us and U.S. holders with respect to the acquisition, ownership, exercise or disposition of awards which may be granted under the 2013 Plan. The discussion is based upon the provisions of the Code and the regulations and rulings promulgated thereunder, all of which are subject to change (possibly with retroactive effect) or different interpretations. Options and Stock Appreciation Rights with exercise prices less than the fair market value of Common Stock on the dates of grant, Phantom Stock, and certain other awards that may be granted pursuant to the 2013 Plan, could be subject to additional taxes unless they are designed to comply with certain restrictions set forth in Section 409A and guidance promulgated thereunder. We do not currently intend to grant such awards under the Plan, but if, in the future, we do grant such awards we anticipate they will likely be designed to comply with those restrictions and to avoid the additional taxes imposed by Section 409A. This summary reflects generally contemplated consequences and does not purport to deal with all aspect of U.S. federal income taxation that may be relevant to an individual award holder s situation, nor any tax consequences arising under the laws of any state, local or foreign jurisdiction.

Restricted Stock. The recipient of a Restricted Stock award will not realize taxable income at the time of grant, and we will not be entitled to a deduction at that time, assuming that the restrictions constitute a substantial risk of forfeiture for federal income tax purposes. When the risk of forfeiture with respect to the stock subject to the award lapses, the holder will realize ordinary income in an amount equal to the fair market value of the shares of Common Stock at such time, and, subject to Section 162(m), we will be entitled to a corresponding deduction. All dividends and distributions (or the cash equivalent thereof) with respect to a Restricted Stock award paid to the holder before the risk of forfeiture lapses will also be compensation income to the holder when paid and, subject to Section 162(m), deductible as such by us. Notwithstanding the foregoing, the holder of a Restricted Stock award may elect under Section 83(b) of the Code to be taxed at the time of grant of the Restricted Stock award based on the fair market value of the shares of Common Stock on the date of the award, in which case (a) subject to Section 162(m), we will be entitled to a deduction at the same time and in the same amount, (b) dividends paid to the recipient during the period the forfeiture restrictions apply will be taxable as dividends and will not be deductible by us, and (c) there will be no further federal income tax consequences when the risk of forfeiture lapses. Such election must be made not later than 30 days after the grant of the Restricted Stock award and is irrevocable.

Restricted Stock Unit Awards. The grant of an RSU Award under the 2013 Plan generally will not result in the recognition of any U.S. federal taxable income by the recipient or a deduction for us at the time of grant. At the time an RSU Award vests the recipient will generally recognize ordinary income and, subject to the application of Section 162(m) as discussed below, we will be entitled to a corresponding deduction. Generally, the measure of the income and the deduction will be the number of units subject to the RSU Award multiplied by the value of our Common Stock at the time the RSU Award is settled.

Stock Awards. The recipient of a Stock Award will realize taxable ordinary income at the time of grant in an amount equal to the fair market value of the shares of Common Stock on the date of the award, and, subject to Section 162(m), we will be entitled to a corresponding deduction.

Incentive Stock Options. Incentive Stock Options are subject to special federal income tax treatment. No federal income tax is imposed on the optionee upon the grant or the exercise of an Incentive Stock Option if the optionee does not dispose of the shares acquired pursuant to the exercise within the two-year period beginning on the date the option was granted or within the one-year period beginning on the date the option was exercised (collectively, the holding period). In such event, we would not be entitled to any deduction for federal income tax purposes in connection with the grant or exercise of the option or the disposition of the shares so acquired. With respect to an Incentive Stock Option, the

Table of Contents

difference between the fair market value of the stock on the date of exercise and the exercise price must generally be included in the optionee s alternative minimum taxable income for the year in which such exercise occurs. However, if the optionee exercises an Incentive Stock Option and disposes of the shares received in the same year and the amount realized is less than the fair market value of the shares on the date of exercise, then the amount included in alternative minimum taxable income will not exceed the amount realized over the adjusted basis of the shares.

Upon disposition of the shares received upon exercise of an Incentive Stock Option after the holding period, any appreciation of the shares above the exercise price should constitute long-term capital gain. If an optionee disposes of shares acquired pursuant to his or her exercise of an Incentive Stock Option prior to the end of the holding period, the optionee will be treated as having received, at the time of disposition, compensation taxable as ordinary income. In such event, and subject to the application of Section 162(m) as discussed below, we may claim a deduction for compensation paid at the same time and in the same amount as compensation is treated as received by the optionee. The amount treated as compensation is the excess of the fair market value of the shares at the time of exercise (or in the case of a sale in which a loss would be recognized, the amount realized on the sale if less) over the exercise price; any amount realized in excess of the fair market value of the shares at the time of exercise would be treated as short-term or long-term capital gain, depending on the holding period of the shares.

Non-statutory Stock Options and Stock Appreciation Rights. As a general rule, no federal income tax is imposed on the optionee upon the grant of a Non-statutory Stock Option (whether or not including a stock appreciation right), and we are not entitled to a tax deduction by reason of such grant. Generally, upon the exercise of a Non-statutory Stock Option, the optionee will be treated as receiving compensation taxable as ordinary income in the year of exercise in an amount equal to the excess of the fair market value of the shares of stock at the time of exercise over the option price paid for such shares. In the case of the exercise of a stock appreciation right, the optionee will be treated as receiving compensation taxable as ordinary income in the year of exercise in an amount equal to the cash received plus the fair market value of the shares distributed to the optionee. Upon the exercise of a Non-statutory Stock Option or a stock appreciation right, and subject to the application of Section 162(m) as discussed below, we may claim a deduction for compensation paid at the same time and in the same amount as compensation income is recognized by the optionee assuming any federal income tax reporting requirements are satisfied.

Upon a subsequent disposition of the shares received upon exercise of a Non-statutory Stock Option or a stock appreciation right, any difference between the fair market value of the shares at the time of exercise and the amount realized on the disposition would be treated as capital gain or loss. If the shares received upon the exercise of an option or a stock appreciation right are transferred to the optionee subject to certain restrictions, then the taxable income realized by the optionee, unless the optionee elects otherwise, and our tax deduction (assuming any federal income tax reporting requirements are satisfied) should be deferred and should be measured at the fair market value of the shares at the time the restrictions lapse. The restrictions imposed on officers, directors and 10% stockholders by Section 16(b) of the Exchange Act is such a restriction during the period prescribed thereby if other shares have been purchased by such an individual within six months of the exercise of a Non-statutory Stock Option or stock appreciation rights.

Performance Awards and Phantom Stock Awards. An individual who has been granted a Performance Award or a Phantom Stock Award generally will not realize taxable income at the time of grant, and we will not be entitled to a deduction at that time. Whether a Performance Award or Phantom Stock Award is paid in cash or shares of Common Stock, the individual will have taxable compensation and, subject to the application of Section 162(m) as discussed below, we will have a corresponding deduction. The measure of such income and deduction will be the amount of any cash paid and the fair market value of any shares of Common Stock either at the time the Performance

Award or the Phantom Stock Award is paid or at the time any restrictions on the shares (including restrictions under Section 16(b) of the Exchange Act) subsequently lapse, depending on the nature, if any, of the restrictions imposed and whether the individual elects to be taxed without regard to any such restrictions. Any dividend equivalents paid with respect to a Performance Award or a Phantom Stock Award prior to the actual issuance of shares under the award will be compensation income to the employee and, subject to the application of Section 162(m) as discussed below, deductible as such by us.

Section 162(m). Generally, Section 162(m) precludes a public corporation from taking a deduction for annual compensation in excess of $1,000,000 paid to its covered employees (as defined in Section 162(m)). Our Section 162(m) covered employees are the principal executive officer and our three next highest-paid officers other than the principal financial officer. The Section 162(m) deduction limitation does not apply to certain performance-based compensation that satisfies certain requirements of Section 162(m). The 2013 Plan is designed to permit the Committee to grant awards to covered executive officers that will constitute qualified performance-based compensation for purposes of Section 162(m). Approval of this proposal by our stockholders will constitute approval of 2013 Plan itself and approval of the material terms under which remuneration may be paid under the 2013 Plan, including performance goals, pursuant to Section 162(m). Based on Section 162(m) and the regulations issued thereunder, our ability to deduct compensation income generated in connection with the exercise of Non-statutory Stock Options or Stock Appreciation Rights granted by the Committee under the 2013 Plan generally should not be limited by Section 162(m). Further, we intend that compensation income generated in connection with Performance Awards granted by the Committee under the 2013 Plan (whether they are structured as performance-based restricted stock, restricted stock units or otherwise) generally should not be limited by Section 162(m).

The 2013 Plan is not qualified under Section 401(a) of the Code. Based upon current law and published interpretations, we do not believe that the 2013 Plan is subject to any of the provisions of the Employee Retirement Income Security Act of 1974, as amended.

The comments set forth in the above paragraphs are only a summary of certain of the federal income tax consequences relating to the 2013 Plan. No consideration has been given to the effects of state, local, or other tax laws on the 2013 Plan or award recipients.

Parachute Payment Sanctions. Certain provisions of the Plan or provisions included in an award agreement may afford a recipient special protections or payments which are contingent on a change in the ownership or effective control of us or in the ownership of a substantial portion of our assets. To the extent triggered by the occurrence of any such event, these special protections or payments may constitute parachute payments that, when aggregated with other parachute payments received by the recipient, if any, could result in the recipient receiving excess parachute payments (a portion of which would be allocated to those protections or payments derived from the award). We would not be allowed a deduction for any such excess parachute payments, and the recipient of the payments would be subject to a nondeductible 20% excise tax upon such payments in addition to income tax otherwise owed.

The Board recommends a vote FOR the proposal to approve the 2013 Stock Incentive Plan.

Table of Contents

Equity Compensation Plan Information

The following table summarizes information with respect to our equity compensation plans under which our equity securities are authorized for issuance as of December 31, 2012:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (In shares)	Weighted-average exercise price of outstanding options, warrants and rights (In dollars per share)	Number of securities remaining available for future issuance (a) (In shares)
Equity compensation plans approved by security holders		$	7,073,153(b)
Equity compensation plans not approved by security holders(c)			
Total		$	7,073,153

(a) In the first quarter of 2013, we granted 17,645 shares of common stock to the non-executive members of the Board. In addition, in the first quarter of 2013, as a component of long-term incentive compensation, the Board authorized the grant of restricted stock awards for an aggregate of approximately 950,774 shares to 665 of our employees, including the grant of restricted stock awards for 305,417 shares to the named executive officers included in the table below at VII. Executive Compensation Summary Compensation Table . These awards were authorized pursuant to the 2004 Plan which has been approved by our stockholders.

(b) Pursuant to an amendment to our 2004 Plan approved by the Board on February 21, 2013, we will not grant any new awards under our 2004 Plan on or after the date of the stockholder approval of the 2013 Plan.

(c) Our 77.6% owned Australian subsidiary has an equity compensation plan under which it awards restricted units settled in cash to its employees and directors. This plan has not been approved by the registrant s security holders.

Table of Contents

4. Proposal to Amend Our Charter to Declassify Our Board

Our Board has unanimously adopted and is submitting for stockholder approval an amendment to our Charter to declassify our Board and provide for the annual election of directors (Amendment). Our Charter currently provides that our Board is divided into three classes, with members of each class of directors serving a three-year term. The current classification of our Board results in staggered elections, with each class of directors standing for election every third year.

Our Board believes that its classified structure has helped assure continuity of our business strategies and has reinforced a commitment to long-term stockholder value. Although these are important benefits, our Board recognizes the growing sentiment among stockholders and the investment community in favor of annual elections. After careful consideration, our Board determined that it is appropriate to propose declassifying the Board, commencing with our 2014 annual meeting of stockholders.

Currently, members of our Board are elected for staggered terms of three years. If the Amendment is approved by stockholders, the declassification of our Board would be phased in commencing with our 2014 annual meeting of stockholders and would result in our Board being fully declassified (and all Board members standing for annual elections) commencing with our 2016 annual meeting of stockholders. The Amendment would not change the unexpired three-year terms of directors elected prior to the effectiveness of the Amendment (including any directors elected at our 2013 Annual Meeting). Accordingly, (1) the three-year term for directors elected at our 2011 annual meeting of stockholders will expire at our 2014 annual meeting of stockholders, (2) the three-year term for directors elected at our 2012 annual meeting of stockholders will expire at our 2015 annual meeting of stockholders and (3) the three-year term for directors elected at this Annual Meeting will expire at our 2016 annual meeting of stockholders.

Under Delaware law, unless otherwise provided in a corporation s certificate of incorporation, stockholders may only remove directors of corporations with classified boards for cause. Our Charter does not contain a provision providing for removal of directors without cause. Additionally, our Charter provides that directors may only be removed by the affirmative vote of the holders of at least 80% of the voting power of our outstanding shares entitled to vote. Accordingly, currently our directors may be removed only for cause by the affirmative vote of the holders of at least 80% of the voting power of our outstanding shares entitled to vote. If the Amendment is approved, directors serving terms to which they were elected prior to our 2014 annual meeting of stockholders would continue to be subject to removal only for cause until the completion of their current terms and directors elected at our 2014 annual meeting of stockholders and thereafter could be removed with or without cause upon the affirmative vote of at least 80% of the voting power of our outstanding shares entitled to vote.

The description of the Amendment is a summary and is qualified by and subject to the full text of the Amendment, which is attached as *Appendix B* to this Proxy Statement.

As noted in I. Information About Voting Vote Required for Action above, in accordance with our Charter, stockholder approval of the Amendment requires the affirmative vote of the holders of at least 80% of the voting power of the outstanding shares of Common Stock entitled to vote on such matter as of the Record Date.

The Board recommends a vote FOR the approval of the Amendment.

Table of Contents

5. Non-binding, Advisory Vote on the Compensation of Our Named Executive Officers

The Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted in July 2010 (Dodd-Frank Act), requires that we provide our stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in this Proxy Statement in accordance with the compensation disclosure rules of the SEC.

Accordingly, we are asking our stockholders to vote on the following resolution at the Annual Meeting:

RESOLVED, that the stockholders of Crown Castle International Corp. (Company) approve, on an advisory basis, the compensation of the named executive officers of the Company, as disclosed in the Company s Proxy Statement for the 2013 Annual Meeting of Stockholders pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative disclosure.

As described in VII. Executive Compensation Compensation Discussion and Analysis of this Proxy Statement, we seek to align the interests of our named executive officers with the interests of our stockholders. Our compensation programs are designed to reward our named executive officers for improvements in our results of operations and growth in the value of our Common Stock, with a focus on variable, at risk incentive-based compensation elements that support our pay-for-performance compensation philosophy. We believe that our executive compensation program is designed to attract, retain and motivate high-performing executives to lead our Company.

The vote on this resolution is not intended to address any specific element of compensation; rather, the vote relates to the compensation of our named executive officers, as described in this proxy statement in accordance with the compensation disclosure rules of the SEC. The vote on this proposal is advisory, which means that the vote is not binding on the Company, our Board or the Compensation Committee of the Board (Compensation Committee). Nevertheless, the Board and the Compensation Committee value the opinions of our stockholders, and intend to consider any stockholder concerns evidenced by this vote and evaluate whether any actions are necessary to address those concerns.

The Board recommends a vote FOR the approval of the compensation of our named executive officers as disclosed in this Proxy Statement.

Table of Contents

III. BOARD OF DIRECTORS

Nominees for Director

Class III For a Term Expiring in 2016

Edward C. Hutcheson, Jr.

Principal Occupation: Private Equity Investments/Consulting

Age: 67

Director Since: 1999 (with prior service as a director from 1995 to 1999)

Mr. Hutcheson has served on the Board as a director from January 1995 until February 1999 and from July 1999 until the present. Mr. Hutcheson was a co-founder of ours in 1994 and served as our Chief Executive Officer (CEO) or Chairman from inception until March 1997. Since February 2000, Mr. Hutcheson has been involved in private investment and consulting activities. He currently serves as a Managing Director of the private equity firm Platte River Equity, LLC. From March 1997 until February 2000, he served in several capacities, including Chief Operating Officer (COO), with Pinnacle Global Group, a publicly owned financial services company which merged to form Sanders Morris Harris Group. From 1987 through 1993, he served in senior management roles with Baroid Corporation, a publicly owned petroleum services company. He served as President, COO and a director of the Baroid holding company from 1990 through 1993.

Skills Mr. Hutcheson brings to our Board include relevant executive experience (including as a CEO), financial and transactional acumen, investment expertise, an understanding of our business and the wireless tower industry, and public company corporate governance knowledge.

J. Landis Martin

Principal Occupation: Founder and Managing Director, Platte River Equity, LLC (private equity firm)

Age: 67

Director Since: 1999 (with prior service as a director from 1995 to 1998)

Mr. Martin has been a director on our Board from 1995 through November 1998 and from November 1999 to the present. Mr. Martin has served as Chairman of our Board since May 2002. Mr. Martin is the founder of the private equity firm Platte River Equity, LLC and has been a Managing Director since November 2005. Mr. Martin retired as Chairman and CEO of Titanium Metals Corporation, a publicly held integrated producer of titanium metals, where he served from January 1994 until November 2005. Mr. Martin served as President and CEO of NL Industries, Inc., a publicly held chemical manufacturer, from 1987 to 2003 and as a director from 1986 to 2003. Mr. Martin is also lead director of Halliburton Company, Apartment Investment Management Company and Intrepid Potash, Inc., each a publicly held company.

Skills Mr. Martin brings to our Board include extensive executive experience (including as a CEO of public companies), financial and transactional acumen, investment expertise, strategic insight, an understanding of our business and the wireless tower industry, and public company corporate governance knowledge.

Table of Contents

W. Benjamin Moreland

Principal Occupation: President and CEO of Crown Castle International Corp.

Age: 49

Director Since: 2006

Mr. Moreland was appointed to the Board as a director in August 2006. Mr. Moreland was appointed our President and CEO effective July 2008. Prior to his appointment as President and CEO, Mr. Moreland served as our Executive Vice President (EVP) and Chief Financial Officer (CFO) from February 2004 to June 2008 and was appointed CFO and Treasurer in April 2000. Prior to being appointed CFO, he had served as our Senior Vice President (SVP) and Treasurer, including with respect to our domestic subsidiaries, since October 1999. Mr. Moreland serves on the board of directors of Calpine Corp., a publicly held independent power producer, and PCIA the Wireless Infrastructure Association.

Skills Mr. Moreland brings to our Board include varied executive experience (including as our CFO, President and CEO), extensive knowledge and understanding of our business and the wireless tower industry, financial and transactional acumen, and strategic insight.

Directors Continuing in Office

Class II Term Expiring in 2015

Cindy Christy

Principal Occupation: President Americas of NEW/Asurion Corporation

Age: 47

Director Since: 2007

Ms. Christy was appointed to the Board as a director in August 2007. Ms. Christy joined Asurion in January 2009 as President Americas. Ms. Christy served as President, Americas Region for Alcatel-Lucent from January 2008 to September 2008. She also served as President of the North America Region of Alcatel-Lucent from December 2006 to December 2007. Prior to that time and since August 1988, Ms. Christy served in various positions with Lucent Technologies Inc., including President of the Network Solutions Group, President of the Mobility Solutions Group and COO of the Mobility Solutions Group.

Skills Ms. Christy brings to our Board include extensive and advanced know-how and understanding of telecommunications technologies and related emerging technological trends, relevant executive experience (including with a leading telecommunications infrastructure provider), and extensive knowledge of our customers, including such customers anticipated priorities, goals and objectives.

Ari Q. Fitzgerald

Principal Occupation: Partner with Hogan Lovells US LLP

Age: 50

Director Since: 2002

Mr. Fitzgerald was appointed to the Board as a director in August 2002. Mr. Fitzgerald is currently a partner in the Washington, D.C. office of Hogan Lovells US LLP (Hogan Lovells), and is a member of that firm s Communications Group where he concentrates on wireless, international and Internet-related issues. Prior to joining Hogan Lovells, Mr. Fitzgerald was an attorney with the Federal Communications Commission (FCC) from 1997 to 2001. While at the FCC he served for nearly three years as legal advisor to FCC Chairman William Kennard and later as Deputy Chief of the FCC s International Bureau. Prior to joining the FCC, Mr. Fitzgerald was an attorney in the Office of Legal

22

Table of Contents

Counsel of the U.S. Department of Justice. He also served as legal counsel to former U.S. Senator Bill Bradley. Prior to working for the U.S. Department of Justice, Mr. Fitzgerald worked as an attorney for the law firm of Sullivan & Cromwell LLP. Mr. Fitzgerald also worked as a financial analyst for the investment bank First Boston before entering law school.

Skills Mr. Fitzgerald brings to our Board include extensive regulatory knowledge and experience (particularly with respect to the FCC, National Telecommunications and Information Administration (NTIA), the U.S. Congress, U.S. Department of Justice and other federal agencies that address communications policy issues), legal expertise, an understanding of and insight into government affairs and activities, and an understanding of our business and the wireless industry.

Robert E. Garrison II

Principal Occupation: Individual Investor

Age: 71

Director Since: 2005

Mr. Garrison was elected to the Board as a director in 2005. Mr. Garrison served as Chairman of the Executive Committee of Sanders Morris Harris Group (SMHG), a publicly owned financial services company, from May 2009 until February 2012. Mr. Garrison served as President and CEO of SMHG from January 1999 until May 2002 and as President until May 2009. Mr. Garrison is a director of FirstCity Financial Corporation, a public financial services company; Prosperity Bank; Somerset House Publishing; Gulf & Western Company, Inc.; and NuPhysicia LLC. He also serves on the board of directors of the Memorial Hermann Hospital System. Mr. Garrison has had prior service as a director of Terraforce Technology Corp. and SMHG, each a publicly traded company. Mr. Garrison has over 40 years experience in the securities industry and is a Chartered Financial Analyst.

Skills Mr. Garrison brings to our Board include extensive financial and investment expertise and experience, executive experience (including as a CEO of a public company), business analysis acumen, advanced financial literacy, an understanding of our business and the wireless tower industry, entrepreneurial experience, and public company corporate governance knowledge.

John P. Kelly

Principal Occupation: Advisory Director Berkshire Partners LLC

Age: 55

Director Since: 2000

Mr. Kelly was elected as a director in May 2000. Mr. Kelly began serving Berkshire Partners LLC as an Advisory Director in January 2010. Previously, he served as our Executive Vice Chairman (EVC) from July 2008 until December 31, 2009. Prior to his appointment as our EVC, he served as our President and CEO from August 2001 and as our President and COO prior to that time. Mr. Kelly originally joined us as an officer in July 1998 and was named President and COO of Crown Communication, Inc. in December of that year. From January 1990 to July 1998, Mr. Kelly was the President and COO of Atlantic Cellular Company L.P. From December 1995 to July 1998, Mr. Kelly was also President and COO of Hawaiian Wireless, Inc., an affiliate of Atlantic Cellular. In addition, Mr. Kelly serves as a director of privately-held NEW/Asurion Corporation, Telx Holdings, Inc. and Torrec GP Ltd. and as a manager on the board of managers of privately-held Engineering Solutions & Products, Inc. and its parent entities.

Skills Mr. Kelly brings to our Board include varied executive experience (including as our COO, President, CEO and EVC), extensive knowledge and understanding of our company and the wireless tower industry, a deep understanding of the needs and desires of our customers, insight with respect to telecommunications technologies and trends, financial and transactional acumen, and strategic direction.

Table of Contents

Directors Continuing in Office

Class I Term Expiring in 2014

Dale N. Hatfield

Principal Occupation: Independent Telecommunications Consultant

Age: 75

Director Since: 2001

Mr. Hatfield was appointed to the Board as a director in July 2001. Mr. Hatfield is an independent telecommunications consultant. Mr. Hatfield was appointed as the founding Executive Director of the Broadband Internet Technical Advisory Group in late 2010 and retired from that position in the fall of 2012. Mr. Hatfield is also a Senior Fellow of the Silicon Flatirons Center for Law, Technology and Entrepreneurship and Adjunct Professor in the Interdisciplinary Telecommunications Program, both at the University of Colorado at Boulder. Prior to joining the University of Colorado in early 2001, Mr. Hatfield was the Chief of the Office of Engineering and Technology at the FCC, and, immediately before that, he was the FCC s Chief Technologist. He retired from the FCC and government service in December 2000. Following his retirement from government service and while employed on a part-time basis at the University of Colorado, Mr. Hatfield has engaged in independent consulting activities for a range of companies in the telecommunications field. Before joining the FCC in December 1997, he was CEO of Hatfield Associates, Inc., a Boulder, Colorado based multidisciplinary telecommunications consulting firm. Prior to founding Hatfield Associates in 1982, Mr. Hatfield was Deputy Assistant Secretary of Commerce for Communications and Information and Deputy Administrator of the NTIA. Before moving to NTIA, Mr. Hatfield was Chief of the Office of Plans and Policy at the FCC.

Skills Mr. Hatfield brings to our Board include extensive and advanced know-how and understanding of telecommunications technologies and emerging related technological trends, experience with and a vast knowledge of government policy and regulatory trends (particularly with respect to the FCC and NTIA), a broad understanding of and insight into government affairs and activities, strategic direction, and an academic perspective.

Lee W. Hogan

Principal Occupation: Individual Investor

Age: 68

Director Since: 2001

Mr. Hogan was appointed to the Board as a director in March 2001. Mr. Hogan served as President and CEO of SFM Limited from March 2001 to December 2001. Mr. Hogan served as an officer and director of Reliant Energy Inc. (Reliant), a public diversified international energy services and energy delivery company, from 1990 to 2000. During his tenure at Reliant, Mr. Hogan served as Vice Chairman and as one of four members of The Office of the CEO, the principal management policy instrument of Reliant. In addition, he served on the finance committee of Reliant s board of directors. Previously, Mr. Hogan served as CEO of Reliant s Retail Energy Group, president and CEO of Reliant s International Business Group (directing energy operations in Asia, Europe and Latin America), and in a variety of capacities for Reliant s Houston Lighting & Power subsidiary. Mr. Hogan was the founding president of The Greater Houston Partnership, a business advocacy organization, where he served from 1987 to 1990.

Skills Mr. Hogan brings to our Board include extensive executive experience (including as a CEO), financial and transactional acumen, investment expertise, strategic insight, an understanding of our business and the wireless tower industry, and public company corporate governance knowledge.

Table of Contents

Robert F. McKenzie

Principal Occupation: Individual Investor

Age: 69

Director Since: 1995

Mr. McKenzie was elected to the Board as a director in 1995. Since 1995, Mr. McKenzie has helped establish and develop telecommunications and technology companies as an independent investor and director, including Vector ESP, Inc., an information technology services company implementing server-based computing applications; CO Space Inc., a computer server co-location facilities company; Velocom, Inc., a provider of wireless telephone and Internet services in Brazil; and Cordillera Communications Corporation, a mobile communications provider in the U.S., Peru, Ecuador and Chile. He currently serves on the board of directors of privately-held Mobile Pulse, Inc., a company that measures mobile network performance. From 1990 to 1994, Mr. McKenzie was a founder, director and President/COO of OneComm, Inc., a mobile communications provider, which was sold to Nextel in 1994. From 1980 to 1990, he held general management positions with Northern Telecom, Inc. and was responsible for the marketing and support of its Meridian Telephone Systems and Distributed Communications networks to businesses in the Western United States.

Skills Mr. McKenzie brings to our Board include relevant executive experience (including as President/COO of a mobile communications provider), extensive telecommunications technology knowledge, an understanding of our carrier customers and their needs, entrepreneurial and venture development experience, an understanding of our business and the wireless tower industry, and public company corporate governance.

Table of Contents

IV. INFORMATION ABOUT THE BOARD OF DIRECTORS

Board Leadership Structure

Since our initial public offering in 1998, the roles of Chairman of our Board and CEO have been served by two different persons at all times. Notwithstanding the foregoing, our Corporate Governance Guidelines provide that the Board does not maintain a firm policy with respect to the separation of the offices of Chairman and CEO. The Board believes that it is in the best interests of our stockholders for the Board to make a determination regarding the separation or combination of these roles each time it elects a new Chairman or CEO based on the relevant facts and circumstances applicable at such time.

Meetings

During 2012, the Board held six meetings (four regularly scheduled and two special). Each incumbent director attended at least 75% of the aggregate of (1) the total number of meetings of the Board during the period which he or she was a director and (2) the total number of meetings of all Board committees (Committees) on which he or she served during the period which he or she was a director.

Our Corporate Governance Guidelines provide that, while the Board understands that scheduling conflicts may arise resulting in absences, the Board strongly encourages each director to attend our annual meeting of stockholders. All 10 of the directors serving on the Board at the time of our 2012 annual meeting of stockholders held May 24, 2012 (2012 Annual Meeting) attended the 2012 Annual Meeting.

The non-management members of the Board generally meet in executive session at each regularly scheduled meeting of the Board (typically four times per year). In addition, the Board meets at least once a year in executive session with only independent directors present. Our Corporate Governance Guidelines provide that if the Chairman of the Board is a non-management director, the Chairman of the Board shall preside at such executive sessions, and if the Chairman of the Board is a member of management, the non-management directors may elect a chairman to preside at such executive sessions.

Board Oversight of Risk

Management is responsible for assessing and managing our various exposures to risk on a day-to-day basis. Our Internal Audit department serves as the primary monitoring and testing function for company-wide policies and procedures, including policies and procedures regarding our risk management strategy. Such strategy includes identifying, evaluating, and addressing potential risks that may exist at the enterprise, strategic, financial, operational, compliance and reporting levels. The Board is responsible for overseeing and assessing our risk management strategy. The Board exercises these responsibilities periodically as part of its meetings and also through the Board s four standing Committees, each of which examines various components of risk in connection with its responsibilities. In particular, our Vice President Internal Audit reports to the Audit Committee, and provides periodic updates (generally quarterly) to the Audit Committee with respect to the Internal Audit department s activities, including with respect to risk management matters and the audit agenda. In addition, an overall review of risk is inherent in the Board s consideration of our long-term strategies and in the transactions and other matters presented to the Board, including capital expenditures, acquisitions and divestitures, and financial matters. The Board s role in risk oversight is consistent with the Board s current leadership structure, with the CEO and other members of senior management having responsibility for assessing and managing our risk exposure, and the Board and its Committees providing oversight in connection with those efforts.

[Table of Contents](#)

Board Committees

The Board has four standing Committees: Audit Committee, Compensation Committee, NCG Committee and Strategy Committee. Copies of the Committee charters of each of the Audit Committee, Compensation Committee and the NCG Committee can be found under the Investor Relations section of our website at http://www.crowncastle.com/investor/corpgovernance.asp, and such information is also available in print to any stockholder who requests it through our Corporate Secretary. A summary of each Committee s function is set forth below.

· **Audit Committee**

Members: Mr. Garrison (Chair), Mr. Hogan and Mr. McKenzie all independent directors, as defined under New York Stock Exchange (NYSE) listing standards and SEC rules.

Number of Meetings in 2012: 12

Functions and Authority: The functions and authority of the Audit Committee include:

- provide oversight of:
  - our financial statements and accounting practices;
  - the quality and integrity of the financial statements and other financial information we provide to any governmental body or the public;
  - our compliance with legal and regulatory requirements;
  - the qualifications and independence of our independent registered public accountants (Auditors);
  - the performance of our internal audit function and the Auditors; and
  - our systems of internal controls;
- select and appoint the Auditors; and
- review and approve audit and non-audit services to be performed by the Auditors.

Audit Committee Financial Expert: The Board has determined that the Audit Committee has at least one audit committee financial expert pursuant to applicable SEC rules and that Robert E. Garrison II, an independent director, meets the requirements of an audit committee financial expert pursuant to such SEC rules. For information regarding Mr. Garrison s business experience, see III. Board of Directors.

For additional information regarding the Audit Committee, see VIII. Audit Committee Matters.

· **Compensation Committee**

Members: Mr. Hogan (Chair), Mr. Fitzgerald and Mr. Garrison all independent directors, as defined under NYSE listing standards.

Number of Meetings in 2012: 5

Functions and Authority: The functions and authority of the Compensation Committee include:

assist the Board with its responsibilities relating to compensation of our executives;

develop an overall executive compensation philosophy, strategy and framework consistent with corporate objectives and stockholder interests;

Table of Contents

design, recommend, administer and evaluate our executive compensation plans, policies and programs;

administer our incentive compensation and equity-based compensation plans;

review and determine the compensation of the CEO and certain other senior officers;

review whether our compensation plans, policies and programs are competitive and consistent with our long-term strategy, corporate values and accepted legal practices; and

retain, terminate and approve the fees of any compensation consultants to assist the Compensation Committee with its duties.

Executive Compensation Process and Procedures: Over the course of several meetings throughout the year, the Compensation Committee annually reviews executive compensation, including base salary, short-term incentive compensation, long-term incentive compensation and other benefits. In performing its duties, the Compensation Committee obtains input, as it deems necessary, from Pay Governance, an independent compensation consultant (Compensation Consultant) engaged directly by the Compensation Committee (while the Compensation Consultant is engaged by the Compensation Committee, it works with management, including members of our human resources department and our CEO, in developing compensation studies as directed by the Compensation Committee). In addition, in the case of compensation decisions relating to executives other than the CEO, the Compensation Committee seeks and obtains input from the CEO. The Compensation Committee regularly holds executive sessions at its meetings during which management, including the CEO, is not in attendance. Additional information regarding the Compensation Committee s processes and procedures for consideration and determination of executive compensation is provided below at VII. Executive Compensation Compensation Discussion and Analysis.

· **Nominating & Corporate Governance Committee**

Members: Ms. Christy (Chair), Mr. Hatfield and Mr. Martin all independent directors, as defined under NYSE listing standards.

Number of Meetings in 2012: 4

Functions and Authority: The functions and authority of the NCG Committee include:

assist the Board by identifying individuals qualified to become Board members and recommend director nominees for election by the stockholders or for appointment to fill vacancies;

recommend to the Board director nominees for each Committee of the Board;

review and determine the compensation of the directors of the Board;

advise the Board about appropriate composition of the Board and its Committees;

advise the Board about and recommend to the Board appropriate corporate governance practices and assist the Board in implementing those practices; and oversee the periodic evaluation of the Board and its Committees.

Board Compensation Process and Procedures: The NCG Committee reviews the compensation arrangement for the non-employee directors of the Board on a periodic basis. In the fourth quarter of each of 2011 and 2012, the NCG Committee, with the assistance of the Compensation Consultant, reviewed the Board s non-employee director compensation arrangement. The NCG Committee reviewed a competitive market analysis prepared by the Compensation Consultant comparing the Board s compensation arrangement to those of the companies comprising our Peer Group (as defined

Table of Contents

in VII. Executive Compensation Compensation Discussion and Analysis below) and a sample of public general industry companies (derived from third-party proprietary compensation surveys). Based on the results of the competitive market analysis reviews, (1) in the fourth quarter of 2011, the NCG Committee determined and the Board ratified certain changes to the Committee Chair Retainers (defined below), with all other elements of the non-employee director compensation program remaining unchanged and (2) in the fourth quarter of 2012, the NCG Committee determined and the Board ratified that no changes be made to the compensation program for non-employee directors at such time. The components of the Board compensation arrangement for non-employee directors for 2012 are described below at Board Compensation in this IV. Information About the Board of Directors.

Common Stock Ownership Guidelines. The Board has approved Common Stock ownership guidelines for non-employee directors providing that each of our non-employee directors should hold, by the later of (1) October 16, 2013 or (2) the fifth anniversary of the date such director is appointed to the Board, 11,200 shares of Common Stock (adjusted for splits, stock dividends, spin offs or other relevant changes to our capital structure).

Consideration of Director Nominees: The NCG Committee has the authority to recommend nominees for election as directors to the Board. In considering candidates for the Board, the NCG Committee takes into account the entirety of each candidate s credentials and currently does not maintain any specific minimum qualifications that must be met by an NCG Committee recommended nominee.

While the NCG Committee does not maintain a formal list of qualifications, in making its evaluation and recommendation of candidates, the NCG Committee will generally consider, among other factors, whether prospective nominees are able to read and understand basic financial statements, have relevant business experience, have industry or other specialized expertise and have high moral character. In addition, the NCG Committee considers issues of diversity, including with respect to experience, expertise, viewpoints, skills, race, ethnicity and gender, in connection with the director selection process. The NCG Committee may attribute greater or lesser significance to different factors at particular times depending upon the needs of the Board, its composition, or the NCG Committee s perception about future issues and needs.

The NCG Committee may consider candidates for the Board from any reasonable source, including from a third party search firm engaged by the NCG Committee or through stockholder recommendations (provided the procedures set forth below in IX. Other Matters Stockholder Recommendation of Director Candidates are followed). The NCG Committee does not intend to alter the manner in which it evaluates candidates based on whether the candidate is recommended by a stockholder or not. However, in evaluating a candidate s relevant experience, the NCG Committee may consider previous experience as a member of the Board.

· **Strategy Committee**

Members: Mr. Hatfield (Chair), Ms. Christy, Mr. Fitzgerald, Mr. Hogan, Mr. Hutcheson, Mr. Kelly and Mr. McKenzie all independent directors, except Mr. Kelly.

Number of Meetings in 2012: 4

Functions and Authority: The functions and authority of the Strategy Committee include:

support our executive management in developing and overseeing our strategic initiatives;

provide management with guidance and oversight on strategy development and execution; and

act as an advisor to the Board and management on strategy-related issues and direction.

Table of Contents

Board Independence

The Board has affirmatively determined, that each member of the Board, except Mr. Kelly (our former President and CEO and EVC) and Mr. Moreland (our current President and CEO), has no material relationship with us and is an independent director, as defined under NYSE listing standards.

To assist in its determination of director independence, the Board has adopted certain categorical standards, as set forth on *Appendix C* hereto. The Board determined the independence of the aforementioned independent directors taking into account such standards.

Compensation Committee Interlocks and Insider Participation

None of the members of the Compensation Committee during fiscal 2012 or as of the date of this Proxy Statement is or has been one of our officers or employees. In addition, during 2012, none of our executive officers served on the compensation committee (or board, in the absence of a compensation committee) of any company that employed any member of our Compensation Committee or Board.

Certain Relationships and Related Transactions

Review of Transactions with Related Persons. From time to time we may engage in transactions with companies whose officers, directors or principals are executive officers or directors of ours or are family members of directors or executive officers of ours. The Board is primarily responsible for reviewing such transactions. In the course of its review and approval or ratification of such a transaction, the Board considers various aspects of the transaction it deems appropriate, which may include:

- the nature of the related person s interest in the transaction;
- the material terms of the transaction;
- whether such transaction might affect the independent status of a director under NYSE independence standards;
- the importance of the transaction to the related person and to us; and
- whether the transaction could impair the judgment of a director or executive officer to act in the best interest of our company.

Any member of the Board who is a related person with respect to a transaction under review does not participate in the vote relating to approval or ratification of the transaction.

We have various processes for identifying and reporting conflicts of interests, including related person transactions. Our Business Practices and Ethics Policy (Ethics Policy) provides that each employee is expected to avoid engaging in business or conduct, or entering into agreements or arrangements, which would give rise to actual, potential or the appearance of conflicts of interest; the Ethics Policy also provides procedures for reporting any actual or potential conflicts of interest. In addition, we annually distribute and review a questionnaire to each of our executive officers and directors requesting certain information regarding, among other things, certain transactions with us in which he, she or any family member has an interest.

Table of Contents

Board Compensation

General. The Board maintains a compensation arrangement for the non-employee directors of the Board. A director who is also an employee of ours receives no additional compensation for services as a director. For 2012, the Board compensation arrangement was comprised of the following types and levels of compensation:

- **Initial Equity Grant.** Each newly appointed non-employee director is permitted to receive a grant, pursuant to our 2004 Plan, of a number of unrestricted shares of Common Stock having a valuation equal to approximately $90,000, priced at the per share closing price of the Common Stock as of the effective date of the director s appointment or election (Initial Equity Grant). There were no Initial Equity Grants in 2012.

- **Annual Equity Grant.** At the Board s first regularly scheduled meeting of each year, each non-employee director is typically granted shares of Common Stock. For 2012, the valuation of the Common Stock grant was equal to approximately $125,000 ($200,000 in the case of the Chairman of the Board), priced at the per share closing price of the Common Stock as of the date of such Board meeting (Annual Equity Grant).

On February 23, 2012, each non-employee director of the Board, other than David C. Abrams (who resigned from the Board on February 23, 2012) and J. Landis Martin, was granted, pursuant to the 2004 Plan, 2,403 shares of Common Stock (priced at $52.01 per share, the closing price of the Common Stock on February 23, 2012). Mr. Martin received a grant of 3,845 shares of Common Stock for service as non-employee Chairman of the Board (priced at $52.01 per share).

- **Retainers.** Each non-employee director received an annual retainer of $75,000 for 2012 paid quarterly (Board Retainer). In addition, for 2012 (1) the chair of the Audit Committee received an additional $20,000 paid quarterly and the chair of the Compensation Committee, NCG Committee and Strategy Committee each received an additional $10,000 paid quarterly (collectively, Committee Chair Retainer) and (2) each member of the Audit Committee, other than the chair of the Audit Committee, received an additional $5,000 paid quarterly (Audit Committee Member Retainer).

Non-employee directors are also reimbursed for reasonable incidental expenses.

- **Other Compensation.** Each non-employee director is eligible to participate, at such director s election, in our medical and dental plans.

Director Compensation Table for 2012

The following table sets forth the compensation earned by our non-employee directors in 2012:

	Fees Earned or Paid in Cash							
	Board Retainer ($)(a)	Committee Chair Retainer ($)(b)	Audit Committee Member Retainer ($)(c)	Total Cash ($)(d)	Stock Awards ($)(e)	Option Awards ($)(f)	All Other Compensation ($)(g)	Total Director Compensation ($)(h)
David C. Abrams	$ 18,750	$ 2,500	$ 1,250	$ 22,500	$		$	$ 22,500
Cindy Christy	75,000	10,000						