

ATLAS MINING CO
Form 10-Q
August 14, 2009

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period
ended March 31, 2009

Transition report under section 13 or 15(d) of the Exchange Act

For the transition period
from to

Commission File
Number 000-31380

ATLAS MINING COMPANY
(Exact name of registrant as specified in its charter)

Idaho
(State or other jurisdiction of incorporation or
organization)

82-0096527
(I.R.S. Employer Identification No.)

110 Greene Street – Ste 101, New York, NY
(Address of principal executive offices)

10012
(Zip Code)

(208) 556-1181
(Issuer's Telephone Number, Including Area Code)

Former name, former address, and former fiscal year, if changed since last
report:

N/A

Indicate by check whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

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YES NO X

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller-reporting company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	Accelerated Filer	Non-accelerated Filer	Smaller Reporting Company	X
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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO X

The number of shares of the registrant’s common stock, no par value per share, outstanding as of March 31, 2009 was 59,284,121.

DOCUMENTS INCORPORATED BY REFERENCE: None.

ATLAS MINING COMPANY AND SUBSIDIARY
FIRST QUARTER 2009 REPORT ON FORM 10-Q

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PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

ATLAS MINING COMPANY AND SUBSIDIARY
(An Exploration Stage Company)
Consolidated Balance Sheets

	March 31, 2009 (Unaudited)	December 31, 2008
Current Assets		
Cash and cash equivalents	\$ 69,366	\$ 903,001
Accounts receivable	71	44
Investments – available for sale	3,920	5,426
Deposits and prepaids	190,152	282,306
Total Current Assets	263,509	1,190,776
Property and Equipment		
Land and tunnels	523,729	523,729
Land improvements	91,835	91,835
Buildings	445,197	445,197
Mining equipment	389,492	389,492
Milling equipment	99,855	99,855
Laboratory equipment	75,968	75,968
Office furniture and equipment	37,753	37,962
Vehicles	65,763	65,763
Less: Accumulated depreciation	(318,223)	(287,040)
Total Property and Equipment	1,411,369	1,442,761
Other Assets		
Assets from discontinued operations being held for sale	1,536,344	1,872,577
Total Other Assets	1,536,344	1,872,577
TOTAL ASSETS	\$ 3,211,222	\$ 4,506,114

The accompanying condensed notes are an integral part of these consolidated financial statements.

ATLAS MINING COMPANY AND SUBSIDIARY
(An Exploration Stage Company)
Consolidated Balance Sheets

	March 31, 2009 (Unaudited)	December 31, 2008
Current Liabilities		
Accounts payable and accrued liabilities	\$1,000,604	\$741,885
Stock awards payable	84,000	52,500
Current portion of notes payable	67,777	115,836
Current portion of leases payable	13,531	41,004
Total Current Liabilities	1,165,912	951,225
Long-Term Liabilities		
Long-term portion of leases payable	35,121	118,765
Total Long-Term Liabilities	35,121	118,765
Other Liabilities		
Convertible debt	1,000,000	1,000,000
Liabilities from discontinued operations	245,949	239,128
Total Other Liabilities	1,245,949	1,239,128
TOTAL LIABILITIES	2,446,982	2,309,118
Commitments and Contingencies	- 0 -	- 0 -
Stockholders' Equity		
Preferred stock, \$1.00 par value, 10,000,000 shares authorized, noncumulative, nonvoting, nonconvertible, none issued or outstanding	- 0 -	- 0 -
Common stock, no par value, 60,000,000 shares authorized, 59,284,121 and 59,215,628 shares issued and outstanding at March 31, 2009 and December 31, 2008, respectively	22,187,494	22,155,543
Accumulated deficit prior to exploration stage	(20,009,496)	(20,009,496)
Accumulated deficit during the exploration stage	(1,463,187)	- 0 -
Accumulated other comprehensive loss	(2,972)	(1,466)
Total Atlas Mining Company stockholders' equity	711,839	2,144,581
Noncontrolling interest in subsidiary	52,401	52,415
Total Stockholders' Equity	764,240	2,196,996

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$3,211,222	\$4,506,114
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The accompanying condensed notes are an integral part of these consolidated financial statements.

ATLAS MINING COMPANY AND SUBSIDIARY
 (An Exploration Stage Company)
 Consolidated Statements of Operations and Comprehensive Loss
 (Unaudited)

	For the three months ended March 31,		For the Period January 1, 2009 (Beginning of Exploration Stage) Through March 31, 2009
	2009	2008 (Restated)	
REVENUES	\$ - 0 -	\$ - 0 -	\$ - 0 -
COST OF SALES	- 0 -	- 0 -	- 0 -
Gross Profit (Loss)	- 0 -	- 0 -	- 0 -
OPERATING EXPENSES:			
Exploration & development costs	139,961	64,287	139,961
Mining production costs	62,971	401,181	62,971
General & administrative	1,166,552	873,689	1,166,552
Total Operating Expenses	1,369,484	1,339,157	1,369,484
Net Operating Income (Loss)	(1,369,484)	(1,339,157)	(1,369,484)
OTHER INCOME (EXPENSE):			
Interest income	10	24,718	10
Interest expense	(29,167)	(85)	29,167
Refund of insurance premium	13,488	- 0 -	13,488
Gain (loss) on revaluation of stock awards	(31,500)	80,500	(31,500)
Special investigation fees and expenses	- 0 -	(281,124)	- 0 -
Gain on sale of assets	619	- 0 -	619
Total Other Income (Expenses)	(46,550)	(175,991)	(46,550)
Loss from exploration stage, before income taxes	(1,416,034)	(1,515,148)	(1,416,034)
Provision (benefit) for income taxes	- 0 -	- 0 -	- 0 -
Net Loss from Exploration Stage Before Discontinued Operations	(1,416,034)	(1,515,148)	(1,416,034)
Net income (loss) from discontinued operations	(47,167)	534,503	(47,167)

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Net loss from exploration stage after discontinued operations	(1,463,201)	(980,645)	(1,463,201)
Add: Net loss attributable to the noncontrolling interest	14	- 0 -	14
Net Loss Attributable to Atlas Mining Company	\$(1,463,187)	\$(980,645)	\$(1,463,187)
Earnings Per Share - Basic and Diluted:			
Net loss per share before discontinued operations attributable to Atlas Mining Company common shareholders	\$(0.02)	\$(0.03)	\$(0.02)
Discontinued operations attributable to Atlas Mining Company common shareholders	- 0 -	0.01	- 0 -
Net Loss Per Share Attributable to Atlas Mining Company common shareholders	\$(0.02)	\$(0.02)	\$(0.02)
Weighted Average Shares Outstanding, basic and diluted	59,267,378	54,212,094	59,267,378
Amounts attributable to Atlas Mining Company common shareholders:			
Net loss from exploration stage after income taxes	\$(1,416,034)	\$(1,515,148)	\$(1,416,034)
Discontinued operations, net of tax	(47,167)	534,503	(47,167)
Net Loss	\$(1,463,201)	\$(980,645)	\$(1,463,201)

The accompanying condensed notes are an integral part of these consolidated financial statements.

ATLAS MINING COMPANY AND SUBSIDIARY
 (An Exploration Stage Company)
 Consolidated Statements of Operations and Comprehensive Loss
 (Unaudited)

	For the three months ended March 31,		For the Period January 1, 2009 (Beginning of Exploration Stage) Through March 31, 2009
	2009	2008 (Restated)	
Net Loss	\$(1,463,201)	\$(980,645)	\$(1,463,201)
Other Comprehensive Income:			
Change in market value of investments	(1,506)	540	(1,506)
Comprehensive Loss	(1,464,707)	(980,105)	(1,464,707)
Comprehensive loss attributable to the noncontrolling interest	- 0 -	- 0 -	- 0 -
Comprehensive Loss Attributable to Atlas Mining Company	\$(1,464,707)	\$(980,105)	\$(1,464,707)

The accompanying condensed notes are an integral part of these consolidated financial statements.

ATLAS MINING COMPANY AND SUBSIDIARY
(An Exploration Stage Company)
Consolidated Statements of Cash Flows
(Unaudited)

	For the three months ended March 31,		For the Period January 1, 2009 (Beginning of Exploration Stage) Through March 31, 2009
	2009	2008 (Restated)	
Cash flows from operating activities:			
Net loss	\$(1,463,187)	\$(980,645)	\$(1,463,187)
Adjustments to reconcile net loss to net cash used by operations:			
Depreciation	31,196	109,469	31,196
Stock issued for director fees	10,000	40,000	10,000
Valuation of options	21,951	378,751	21,951
(Gain) loss on revaluation of stock awards	31,500	(80,500)	31,500
Gain on sale of assets	(619)	- 0 -	(619)
Change in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(27)	- 0 -	(27)
Accounts receivable – related party	- 0 -	1,618	- 0 -
Deposits and prepaids	92,154	66,521	92,154
Reimbursed advances	- 0 -	445	- 0 -
Increase in:			
Accounts payable and accrued expenses	258,719	- 0 -	258,719
Net cash used by operating activities	(1,018,313)	(506,190)	(1,018,313)
Cash flows from investing activities:			
Proceeds from sale of assets	800	- 0 -	800
Purchases of equipment	- 0 -	(50,209)	- 0 -
Net cash provided by used in investing activities	800	(50,209)	800
Cash flows from financing activities:			
Payments on notes payable	(48,059)	(92,340)	(48,059)
Payments on leases payable	(111,117)	(53,886)	(111,117)
Net cash used in financing activities	(159,176)	(146,226)	(159,176)

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Net cash provided by (used in) discontinued operations	343,054	(41,849)	343,054
Increase (decrease) in cash	(833,635)	(702,625)	(833,635)
Cash and cash equivalents at beginning of period	903,001	1,210,621	903,001
Cash and cash equivalents at end of period	\$69,366	\$507,996	\$69,366

The accompanying condensed notes are an integral part of these consolidated financial statements.

ATLAS MINING COMPANY AND SUBSIDIARY
 (An Exploration Stage Company)
 Consolidated Statements of Cash Flows
 (Unaudited)

	For the three months ended March 31,		For the Period January 1, 2009 (Beginning of Exploration Stage) Through March 31, 2009
	2009	2008 (Restated)	
Cash paid for:			
Interest	\$ 7,242	\$ 31,404	\$ 7,242
Income taxes	\$ - 0 -	\$ - 0 -	\$ - 0 -

The accompanying condensed notes are an integral part of these consolidated financial statements.

ATLAS MINING COMPANY AND SUBSIDIARY
(An Exploration Stage Company)
Condensed Notes to the Consolidated Financial Statements
March 31, 2009 and 2008

NOTE 1 – BASIS OF PRESENTATION AND GOING CONCERN

The foregoing unaudited interim financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions for Form 10-Q and Regulation S-X as promulgated by the Securities and Exchange Commission ("SEC"). Accordingly, these financial statements do not include all of the disclosures required by generally accepted accounting principles in the United States of America for complete financial statements. These unaudited interim financial statements should be read in conjunction with the audited financial statements and the notes thereto included on Form 10-K for the period ended December 31, 2008. In the opinion of management, the unaudited interim financial statements furnished herein include all adjustments, all of which are of a normal recurring nature, necessary for a fair statement of the results for the interim period presented.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company has incurred material recurring losses from operations. At December 31, 2008, the Company had accumulated deficits prior to the exploration stage of \$20,009,496, in addition to limited cash and unprofitable operations. For the period ended March 31, 2009 and 2008, the Company sustained net losses before discontinued operations of \$1,416,034 and \$1,515,148. These factors indicate that the Company may be unable to continue as a going concern for a reasonable period of time. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern. The Company's continuation as a going concern is contingent upon its ability to obtain financing and to generate revenue and cash flow to meet its obligations on a timely basis and management's ability to raise equity financing as required. If successful, this will mitigate these factors that raise substantial doubt about the Company's ability to continue as a going concern.

Operating results for the three months period ended March 31, 2009 are not necessarily indicative of the results that may be expected for the year ending December 31, 2009. The consolidated financial information as of December 31, 2008 included herein has been derived from the Company's audited consolidated financial statements as of, and for the fiscal year ended, December 31, 2008.

Certain amounts in the 2008 financial statements have been reclassified to conform to the 2009 discontinued operations presentation. These reclassifications had no effect on previously reported results of accumulated deficit.

NOTE 2 – ORGANIZATION AND DESCRIPTION OF BUSINESS

Atlas Mining Company, ("the Company") was incorporated in the state of Idaho on March 4, 1924. The Company is currently focused on the commercialization of its Dragon Mine halloysite property located in Juab County, Utah. Management believes the clay resource found at the Dragon Mine property possesses, among other things, certain structural and mineralogical characteristics that may possibly add functionality to applications such as, but not limited to, the controlled release of biological and chemical agents, polymer-related strengtheners and fire retardants, oil field drilling minerals, catalyst carriers, filtration technologies, hydrogen storage for fuel cells and cosmetics.

In 2008, a geological consulting firm was engaged by the Company to both conduct a resource survey of the Dragon Mine property and develop an appropriate methodology by which to process the mine's future mineral production. As of the date of this report, the work of the geological consultant is ongoing. Beginning in 2009, the Company

commenced distributing samples to potential customers as part of a preliminary marketing program.

In late 2008, due to both a general downturn in mining activity worldwide and a desire to focus the Company's resources on the commercialization of the Dragon Mine property, management discontinued its contract mining operation that, historically, had been its primary source of revenue and cash flow generation. Management has engaged a firm to dispose of certain assets related to its discontinued contract mining operation.

ATLAS MINING COMPANY AND SUBSIDIARY
(An Exploration Stage Company)
Condensed Notes to the Consolidated Financial Statements
March 31, 2009 and 2008

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying condensed, consolidated financial statements represent the consolidation of the Company and all companies that the Company directly controls either through majority ownership or otherwise.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting period. In these financial statements assets and liabilities involve extensive reliance on management's estimates. Actual results could differ from those estimates.

Noncontrolling Interests in Consolidated Financial Statements

On January 1, 2009, the Company adopted SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements – an Amendment of ARB No. 51." The Company had changes as a result of the adoption of SFAS No. 160 to its consolidated financial statements. SFAS No. 160 establishes new accounting and reporting standards for the noncontrolling interest in a subsidiary and the accounting for the deconsolidation of a subsidiary. SFAS No. 160 also clarifies that changes in a parent's ownership interest in a subsidiary that do not result in deconsolidation are equity transactions if the parent retains its controlling financial interest and requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated. The gain or loss will be measured using the fair value of the noncontrolling equity investment on the deconsolidation date. In addition, SFAS No. 160 includes expanded disclosure requirements regarding the interests of the parent and its noncontrolling interest at March 31, 2009.

Stock-Based Compensation

The Company adopted SFAS 123 (revised 2004), Share-Based Payment ("SFAS 123(R)"), which requires the measurement and recognition of compensation expense for all share-based awards made to employees and directors, including employee stock options and shares issued through its employee stock purchase plan, based on estimated fair values.

The estimated fair value of grants of stock options and warrants to nonemployees of the Company is charged to expense, if applicable, in the financial statements. The Company did not issue any options or warrants during the three months ended March 31, 2009.

Recent Accounting Pronouncements

Fair Value Option for Financial Assets and Liabilities

The Company had adopted the provisions of SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – including an amendment of FASB Statement No. 115" ("SFAS 159"), at the beginning of its first quarter of fiscal 2008. The adoption of the provisions of SFAS 159 did not have a significant impact on the Company's consolidated financial position, results of operations or cash flows, as the Company has currently chosen not to elect the fair value option for any items not already measured at fair value in accordance with U.S. GAAP. SFAS 159 permits companies to make an election to carry certain eligible financial assets and liabilities at fair value on an instrument-by-instrument basis, even if fair value measurement has not historically been required for such assets and liabilities.

ATLAS MINING COMPANY AND SUBSIDIARY
(An Exploration Stage Company)
Condensed Notes to the Consolidated Financial Statements
March 31, 2009 and 2008

NOTE 3 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUING)

Derivative Instrument and Hedging Disclosures

The Company adopted SFAS No. 161, “Disclosures about Derivative Instruments and Hedging Activities - an amendment of FASB Statement No. 133” (“SFAS 161”) beginning in its first quarter of fiscal 2009. As SFAS 161 does not change the accounting for derivative instruments and as the Company currently does not hold any derivative instruments, its adoption did not have a material impact on the Company’s consolidated financial statements. SFAS 161 is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity’s financial position, financial performance and cash flows.

International Financial Reporting Standards

In November of 2008, the SEC released a proposed roadmap regarding the potential use by U.S. issuers of financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”). IFRS is a comprehensive series of accounting standards published by the International Accounting Standards Board (“IASB”). Under the proposed roadmap, the Company may be required in fiscal 2015 to prepare financial statements in accordance with IFRS. However, the SEC will make a determination in 2011 regarding the mandatory adoption of IFRS. The Company is currently assessing the impact that this potential change would have on its consolidated financial statements, and it will continue to monitor the development of the potential implementation of IFRS.

Subsequent Events

In May 2009, the FASB issued SFAS No. 165, Subsequent Events (“SFAS 165”), to establish general standards of accounting for and the disclosure of events that occur after the balance sheet date but before the financial statements are issued or are available to be issued. It requires disclosure of the date through which the Company has evaluated subsequent events and the basis for that date, that is, whether that date represents the date the financial statements were issued or were available to be issued. SFAS 165 is effective for interim or annual financial periods ending after June 15, 2009. The adoption of SFAS 165 did not have a material impact on the Company’s consolidated financial statements.

FASB Accounting Standards Codification

In June 2009, the FASB issued SFAS No. 168, The FASB Accounting Standards Codification (“Codification”) and the Hierarchy of Generally Accepted Accounting Principles (“SFAS 168”) - a replacement of FASB Statement No. 162, The Hierarchy of Generally Accepted Accounting Principles. Under the provisions of SFAS 168, the Codification will become the source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. The rules and interpretive releases of the SEC under authority federal securities laws are also sources of authoritative GAAP for SEC registrants. On the effective date of SFAS 168, the Codification will supersede all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become non-authoritative. The provisions of SFAS 168 are effective for financial statements issued for interim and annual periods ending after September 15, 2009. Management is currently reviewing the provisions of SFAS 168 to determine the impact on the Company’s disclosures in the consolidated financial statements.

ATLAS MINING COMPANY AND SUBSIDIARY
 (An Exploration Stage Company)
 Condensed Notes to the Consolidated Financial Statements
 March 31, 2009 and 2008

NOTE 4 – DISCONTINUED OPERATIONS

At December 31, 2008, the Company permanently discontinued its contract mining operations. There are no plans to resume the contract mining business.

Under SFAS No. 144, “Accounting for the Impairment of Disposal of Long-Lived Assets,” the Company has identified assets attributed to the discontinued operation that are being held for sale or have been identified as part of the discontinued operation and have been identified as such. Assets at March 31, 2009 and December 31, 2008 attributed to the discontinued operation are as follows:

	March 31, 2009	December 31, 2008
Accounts receivable	\$- 0 -	\$336,237
Mining supplies	40,544	40,544
Property and equipment	1,495,800	1,495,796
Total assets from discontinued operations	\$1,536,344	\$1,872,577

On April 15, 2009, the Company entered into an agreement for appointment of agent for the sale of assets with AAMCOR LLC (“the Agreement”). Under the Agreement, the Company agreed to (i) sell certain of the equipment of its discontinued contract mining business to AAMCOR for \$300,000 in cash plus a potential share in proceeds of resale of such items, and (ii) appointed AAMCOR exclusive agent to sell certain other non-core equipment deemed unnecessary for development of the Company’s Dragon Mine property.

Liabilities at March 31, 2009 and December 31, 2008 attributed to the discontinued are as follows:

	March 31, 2009	December 31, 2008
Accounts Payable and Accrued Liabilities	\$2,550	\$105,468
Leases Payable	243,399	133,660
Total liabilities from discontinued operations	\$245,949	\$239,128

ATLAS MINING COMPANY AND SUBSIDIARIES
 (An Exploration Stage Company)
 Condensed Notes to the Consolidated Financial Statements
 March 31, 2009 and 2008

NOTE 4 – DISCONTINUED OPERATIONS (CONTINUED)

Income (loss) after discontinued operations for the periods ended March 31, 2009 and 2008 was calculated as follows:

	Period ended March 31,	
	2009	2008
Income (loss) from discontinued operations	\$(47,167)	\$534,503
Income tax liability	- 0 -	- 0 -
Net income (loss) from discontinued operations	\$(47,167)	\$534,503

The Company does not believe there is an effect of income taxes on discontinued operations. Due to ongoing operating losses, the uncertainty of future profitability and limitations on the utilization of net operating loss carry-forwards under IRC Section 382 a valuation allowance has been recorded to fully offset the Company's deferred tax asset.

NOTE 5 – STOCK AWARD PAYABLE

The Company has issued certain options that represent shares in excess of shares authorized for issuance. These options have been recorded as a liability on the balance sheet, titled stock awards payable. The Company reviews the value of stock award payable and adjusts the carrying value to market based on the closing price of the Company's common stock on the last day of the quarter. Any adjustment made to the carrying value of the stock award is recorded as a gain or loss on revaluation of stock awards. For the period ended March 31, 2009, the Company realized a loss on the revaluation of stock awards totaling \$31,500. At March 31, 2009, the value of Mr. Dumont's stock award payable was \$60,000, and value of Mr. Gaensbauer's stock award payable was \$24,000 for a total of \$84,000.

NOTE 6 – CONVERTIBLE DEBT

On December 30, 2008, the Company sold \$1,000,000 of 10% Convertible Notes due December 15, 2018. The notes convert into common stock at \$0.35 per share. The principle is due December 15, 2018 subject to earlier acceleration or conversion of the notes. The notes bear interest at the rate of 10% per annum payable (including by issuance of additional in kind notes) semi-annually in arrears on June 15th and December 15th of each year, commencing June 15, 2009. For the three months ended March 31, 2009, the Company recorded \$29,167 in accrued interest.

The Notes as discussed above may be converted at the option of the noteholder at any time there is sufficient authorized unissued common stock of the Company available for conversion. The Notes will be mandatorily converted when (i) sufficient common stock is available for conversion of all notes in the Series, (ii) the average closing bid price or market price of the Company's common stock for the preceding five (5) trading days is above the conversion price and (iii) a registration statement is effective and available for resale of all of the converted shares or the noteholders may sell such shares under Rule 144 under the Securities Act.

ATLAS MINING COMPANY AND SUBSIDIARY
(An Exploration Stage Company)
Condensed Notes to the Consolidated Financial Statements
March 31, 2009 and 2008

NOTE 7 – STOCKHOLDERS' EQUITY

Preferred Stock

The Company is authorized to issue 10,000,000 shares of noncumulative, non-voting, nonconvertible preferred stock, \$1.00 par value per share. At March 31, 2009 and December 31, 2008, no shares of preferred stock were outstanding.

Common Stock

The Company is authorized to issue 60,000,000 shares of common stock, no par value per share. At the periods ended March 31, 2009 and December 31, 2008, 59,284,121 and 59,215,628 shares were issued and outstanding, respectively.

At December 31, 2008, the Company did not have sufficient authorized unissued common stock available for conversion of all common stock equivalents.

During the quarter ended March 31, 2009, the Company issued 68,493 shares of restricted stock at a price of \$0.15 per share for director fees for a fair value of \$10,000.

Pursuant to the disclosure requirement under SFAS No. 160, the following schedule presents a reconciliation of the beginning and ending balances of the equity attributable to the Company and the noncontrolling owners, and the effect of the changes in the equity attributable to the Company.

	Atlas Mining Company Shareholders						
	Total	Comprehensive Income (Loss)	Accumulated Deficit During the Exploration Stage	Accumulated Deficit Prior to the Exploration Stage	Accumulated Other Comprehensive Loss	Common Stock	Non-controlling Interest
Beginning Balance	\$2,196,996	\$ - 0 -	\$ - 0 -	\$(20,009,496)	\$(1,466)	\$22,155,543	\$52,415
Stock issued for services	10,000					10,000	
Employee based stock compensation	21,951					21,951	
Comprehensive Income:							
Net Income (Loss)	(1,463,201)	(1,463,201)	(1,463,187)				(14)
Other comprehensive loss, net of tax:		\$5,000					
Phipps	\$46,667						\$5,000
Pope	\$70,000		\$20,000				
Schroeder	\$70,000			\$15,000			
Stott	\$70,000						\$6,667
							\$2,500

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Templin	\$70,000	\$54,546	\$6,667	\$6,667	\$2,500	\$
White	\$70,000				\$7,500	\$

The amounts shown in this column reflect the aggregate grant date fair value of restricted stock awards granted in 2013 and are calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation - Stock Compensation (FASB ASC Topic 718). For additional information (2) on the valuation assumptions for the 2013 grants, see Note 10, Share-Based Compensation of Item 8, Financial Statements and Supplementary Data, of our Form 10-K for the year ended December 31, 2013, as filed with the SEC.

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The following table provides the total number of shares of restricted stock granted to each non-employee director during fiscal year 2013 and the total number of shares of unvested restricted stock held by each non-employee director as of December 31, 2013:

	Restricted Stock Awards Granted During 2013 (#)	Total Restricted Stock Awards Outstanding as of December 31, 2013 (#)
Anton	2,890	3,634
Corbin		
Kennedy	2,890	3,634
Murray	2,890	3,634
Perez	2,890	3,634
Phipps	2,890	2,890
Pope	2,890	3,634
Schroeder	2,890	3,634
Stott	2,890	3,634
Templin	2,890	2,890
White	2,890	3,634

(3) No option awards were granted to non-employee directors in 2013. As of December 31, 2013, none of the non-employee directors held any stock options.

Directors may elect to defer payment of their fees under the Company's deferred compensation plans for directors. Payment of any deferred compensation account balances will be paid in a lump sum or in installments beginning no later than the year following the director's final year on the Board. In 2013, as in previous years, interest on amounts deferred prior to 2007 was credited quarterly at the Bank of America prime rate. The Company's deferred compensation plans for directors provide that balances on amounts deferred in 2007 and subsequent years are not credited with a fixed rate of interest but instead fluctuate based on the value of one or more funds selected by the director from a list of available funds. In addition, directors may elect to have some or all of their pre-2007 account balances valued in the same manner as post-2006 deferrals. Directors may also elect to convert some or all of their deferred compensation account balances into phantom stock units that track the performance of the Company's common stock.

Each of our directors stands for election or re-election annually. In 2013, upon his or her election or re-election, each non-employee director received a grant of restricted stock with a notional value of \$100,000. The number of shares of restricted stock in each grant was determined by dividing the notional value of the grant by the closing price of the Company's common stock on the grant date, with any fractional shares paid in cash. Each such grant of restricted stock will vest on the date of the annual shareholder meeting following the grant date or earlier upon the occurrence of certain events such as death, disability, retirement or a change in control.

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The Board has established stock ownership guidelines for non-employee directors. Under the guidelines, each non-employee director is expected to hold Con-way securities having an aggregate value of not less than three times the annual cash retainer of \$70,000, or \$210,000. New directors have five (5) years from the date of their appointment to the Board to satisfy these stock ownership guidelines. To determine compliance with these guidelines, ownership interests are valued as follows:

Common shares held directly or indirectly	Full value
Phantom stock units held in Directors' Deferred Compensation Plan	Full value
Vested in-the-money stock options	50% of value
Unvested restricted stock	50% of value

Directors are provided with business travel insurance coverage and, in addition, are reimbursed for travel expenses incurred for attending Board and Committee meetings as well as director educational seminars or events.

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COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes the Company's executive compensation program for 2013. The Compensation Committee of the Company's Board of Directors oversees our executive compensation program and practices. In this section of the Proxy Statement, we explain how and why the Compensation Committee made its compensation decisions in 2013 for the following named executive officers, or NEOs:

Douglas W. Stotlar	President and Chief Executive Officer (CEO)
Stephen L. Bruffett	Executive Vice President and Chief Financial Officer (CFO)
Robert L. Bianco, Jr.	Executive Vice President and President of Menlo Worldwide, LLC
Stephen K. Krull	Executive Vice President, General Counsel and Secretary
W. Gregory Lehmkuhl	Executive Vice President and President of Con-way Freight Inc.

Executive Summary

The Company provides transportation, logistics and supply-chain management services for a wide range of customers across a variety of markets. The success of our Company is ultimately built on the trust placed in us by our customers, who rely on us to handle and deliver their products on time, undamaged and at a competitive price. However, even when our operational execution is strong, our financial results remain sensitive to seasonal and economic cycles.

Our Compensation Philosophy

Our fundamental goal is to create sustainable value for our shareholders while effectively managing through the economic cycles of our business. To help achieve this goal, the key objectives of our executive compensation program are to:

attract, retain and motivate a high-performing executive team;
align the interests of our executive team with those of our shareholders by tying a significant portion of executive compensation to financial performance goals and the value of our Company's stock; and
drive continuous improvement in both short-term and long-term financial performance through the use of complementary elements of the Company's executive compensation program.

In order to meet these objectives, our executive compensation program design is based upon two key compensation principles: **pay for performance** and **pay at risk**.

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The pay-for-performance and pay-at-risk design of our executive compensation program is best illustrated in the following charts, which show that approximately 81% of our CEO's 2013 target total direct compensation and, on average, approximately 73% of the 2013 target total direct compensation of our other NEOs was in the form of at risk incentive compensation opportunities, the value of which is tied to the achievement of performance goals or our stock price.

2013 Target Total Direct Compensation Mix

How Executive Compensation Was Tied to Company Performance in 2013

Over the past five years, we have been tested by a challenging economic environment. The markets for our services continued to face economic uncertainty in 2013, resulting in our financial performance for fiscal year 2013 being below our expectations. This year, for the first time since 2009, we did not grow our Company's consolidated revenue and consolidated operating income on a year-over-year basis. In 2013, on a consolidated basis, our revenue decreased slightly to \$5.5 billion, a decrease of 1.9% from the prior year, and our operating income decreased to \$209.0 million, a decrease of 8.7% from the prior year.

Despite the economic uncertainty, we focused on implementing the multi-year operational efficiency improvement plan that we launched in 2012. While we made progress on key foundational initiatives and positioned our Company for continued operational improvements going forward, our financial results in 2013 did not fully reflect the underlying improvements we believe we have made to our operating infrastructure. During the year, our Company made important investments for the future and in addition, took on large, new projects at our logistics business unit, Menlo, which generated start-up costs and increased expenses in the near-term. We believe that our singular focus on the long-term strategy of our Company and the investments that we have made as part of this strategy will help to improve operational performance, drive operating efficiencies, and enable our Company to deliver sustainable margin expansion.

In 2013, our stock performed well and we grew our total stockholder return by more than 44%. During 2014, our focus remains on creating long-term value for our shareholders.

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Consistent with our pay-for-performance philosophy, our Company's financial performance in 2013 drove executive compensation. As of December 31, 2013, the estimated current value of the total direct compensation for each of our NEOs was below such executive's target total direct compensation.

The annual incentive compensation paid to our NEOs based on 2013 financial results reflects the slight increase in year-over-year profitability at our Freight business unit and the decline in year-over-year profitability at our other two business units. On average, our NEOs' annual incentive bonus payouts, as a percentage of target, declined 48.7% year-over-year. Specifically, our NEOs either earned no annual incentive compensation or earned below-target annual incentive compensation, with payouts ranging from 0.0% to 76.9% of target.

With respect to 2013 performance-based equity awards, as of December 31, 2013, the estimated current value of each NEO's performance share plan unit award was lower than its grant date value, reflecting both the Company's 2013 financial performance and the increase in the Company's stock price during 2013.

The value ultimately realized with respect to the 2013 long-term incentive awards will depend on the Company's achievement of the three-year performance goals established for the 2013 performance-based equity awards and the Company's stock price at the time the awards vest.

2013 Total Direct Compensation

The estimated current value of 2013 total direct compensation includes 2013 base salary, actual incentive compensation earned based on 2013 performance, and the value of the long-term equity incentive awards granted in 2013 based on the Company's closing stock price on December 31, 2013. For performance share plan unit awards, the estimated current value as of December 31, 2013 assumes actual financial performance for 2013 and target financial performance for remaining annual portions of the three-year performance period.

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Other 2013 Executive Compensation Highlights

Total direct compensation levels are generally compared to the median of market data, with upside opportunity to reward superior performance and reduced compensation levels when performance objectives are not achieved. Our annual incentive program requires achievement of rigorous financial thresholds (pre-established goals for adjusted operating income for each business unit in 2013) before any annual incentive compensation is paid, as described more fully beginning on page 48.

Given the pay-for-performance nature of our executive compensation program, the Compensation Committee included performance-based equity awards in the long-term incentive compensation mix for 2013 (50% performance share plan units and 50% restricted stock units), as described more fully beginning on page 51.

Our Company provides minimal perquisites, which on average represent approximately 1.2% of the total compensation package for each of our NEOs.

Corporate Governance Framework

To meet the key objectives of our executive compensation program and to mitigate risk from our compensation practices and principles, the Company has adopted a corporate governance framework that includes the components described below, each of which the Committee believes reinforces the Company’s executive compensation philosophy and objectives.

Stock ownership guidelines: We have established stock ownership guidelines for our NEOs and other top executive officers to further align the interests of our executives with those of our shareholders. In 2013, the stock ownership guideline applicable to the CEO was increased from 5 to 6 times base salary. The following guidelines for equity ownership are expressed as a multiple of each executive’s base salary:

Executive Officers	Stock Ownership Guideline (as a multiple of base salary)
Level E5 Officer (CEO)	6
Level E4 Officers (5 in total, including 4 NEOs)	3
Level E3 Officers (5 in total)	1

To determine compliance with these guidelines, common shares held directly or indirectly, phantom stock units held in the deferred compensation plans and common shares held in the 401(k) plans count towards meeting the stock ownership guidelines. However, vested in-the-money stock options, unvested restricted stock, unvested restricted stock units and unvested performance share plan units do not count towards meeting the stock ownership guidelines.

Stock-retention requirements: Our NEOs and other executive officers are required to retain 70% of the net shares (after tax withholding) received upon vesting ownership of restricted stock, restricted stock units and performance share plan units unless the executive then meets our stock ownership guidelines.

Clawback policy: Our NEOs and other policy-making executive officers are required to repay overpayments of annual and long-term cash incentive compensation awards in the event of fraud or in the event of a financial restatement occurring within one year following the award payment.

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Double-trigger vesting: An executive's unvested equity awards will vest upon a change in control only if the executive also experiences a qualifying termination of employment.

No stock option repricing: The Company's equity incentive plan does not permit either stock option repricing without shareholder approval or stock option grants with an exercise price below fair market value.

No tax gross-ups: The Company does not provide tax gross-ups on any benefits or perquisites, including severance payments received following a change in control.

No hedging or pledging of Company stock: Company policy prohibits short sales of Company stock and other similar transactions that could be used to hedge the risk of Company stock ownership and the pledging of Company stock.

Independent compensation consultant: Our Compensation Committee retains an independent compensation consultant who performs services only for the Compensation Committee (and periodically for the Governance and Nominating Committee with respect to director compensation).

We Value the Perspectives of Our Shareholders

We conducted our annual advisory vote on executive compensation at our 2013 Annual Meeting. While this vote was not binding on the Company, our Board or our Compensation Committee, we believe that it is important for our shareholders to have an opportunity to vote on this proposal on an annual basis as a means to express their views on our executive compensation philosophy, our executive compensation program and policies and our decisions regarding executive compensation, all as disclosed in our Proxy Statement.

At our 2013 Annual Meeting, over 92% of the votes cast on the advisory vote on executive compensation were in favor of our NEO compensation program as disclosed in our Proxy Statement. The Compensation Committee reviewed the final vote results, interpreted this significant level of support as an endorsement by our shareholders of our executive compensation program and policies and did not make any changes to our executive compensation program in response to such vote.

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Key Compensation Elements

Our executive compensation program consists of the following key elements:

Program	Description	Link to Compensation Objectives
Annual Base Salary	Fixed compensation	Attract and retain high-performing executive team
Annual Cash Incentive Award	Short-term performance-based cash incentive compensation	Align interests of executives with those of shareholders based on annual financial performance goals
Total Direct Compensation		Drive short-term financial performance
		Align interests of executives with those of shareholders based on three-year financial performance goals and the value of the Company's stock
Long-Term Equity Incentive Compensation Awards	Equity awards granted as performance share plan units (PSPUs) and restricted stock units (RSUs) in 2013	Drive long-term financial performance
		Retain high-performing executive team
		Reward strategic execution

Other	Retirement Benefits	Primarily broad-based 401(k) plans intended to provide eligible employees (including NEOs) with the opportunity to accrue benefits for retirement. For certain NEOs, broad-based frozen defined benefit pension plan based on past service for which the Company has ceased accruals and that is closed to new participants.	Attract and retain high-performing executive team
	Perquisites	Only limited benefits available to eligible employees (including NEOs)	Minimize executive perquisites and maximize the executives' focus on Company performance

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Overview of Compensation Practices

The Compensation Committee is responsible for the executive compensation program design and decision-making process for NEOs. The table below describes the roles of the Compensation Committee and other participants in the decision-making process.

Participant	Roles
	Approves the compensation philosophy for executive officers
	Reviews and approves compensation for executive officers, including the NEOs
	Approves performance goals under executive incentive compensation plans
	Grants awards under incentive compensation and equity-based plans
Compensation Committee	Together with the other independent members of the Board, evaluates the performance of the CEO and, based on this evaluation, approves the CEO's compensation
	Reviews the CEO's performance assessment of the other executive officers, including the other NEOs and, based on this evaluation, approves the executive officers' compensation
	Reviews the evaluation of risks associated with the Company's overall compensation policies and practices
Independent Members of the Board of	Prepares the Compensation Committee's report on executive compensation

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Directors Together with the Compensation Committee, evaluate the performance of the CEO and, based on this evaluation, provide their concurrence with respect to the CEO's compensation

Independent Compensation Consultant Retained by the Compensation Committee to provide independent advice and recommendations

Serves as a resource for competitive pay practices and market trends

The CEO makes compensation recommendations to the Compensation Committee for the other executive officers, including the other NEOs, with respect to target total direct compensation, annual base salary, annual incentive compensation bonus and long-term equity incentive awards

Executive Officers The CEO and CFO make recommendations on performance goals under our incentive compensation plans and provide data to allow the Compensation Committee to determine whether performance goals were achieved at the end of the performance period

Executive officers are not present when the Compensation Committee or the independent members of the Board meet in executive session or when their own compensation is discussed

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Compensation Consultant

The Compensation Committee relies upon a compensation consultant to assist in the assessment of executive compensation. The compensation consultant is engaged by and reports to the Compensation Committee, which evaluates the performance and independence of the compensation consultant, determines the scope of the consultant's services and decides whether or not to continue to use the consultant's services.

The Compensation Committee retained Semler Brossy Consulting Group, LLC (Semler Brossy) to advise the Compensation Committee on executive compensation matters for 2013. At the Compensation Committee's request, the independent compensation consultant advised the Compensation Committee with regard to:

- recommending the companies to be included in a focused peer group (described below);
- providing comparative market data for the companies in the focused peer group, as well as for the companies in general industry;
- providing the Compensation Committee with its evaluation of the total direct compensation of the NEOs in relation to the comparative market data;
- establishing target long-term incentive award opportunities based on multiples of base salary for each NEO;
- designing the 2013 and 2014 annual incentive and long-term equity incentive compensation awards, including the selection of performance metrics and the setting of performance goals, and the methodologies and assumptions used to value those awards;
- advising the Compensation Committee regarding regulatory and governance requirements for executive compensation, including disclosure requirements;
- completing an assessment of risks associated with the Company's overall compensation policies and practices; and
- informing the Compensation Committee of trends and evolving market practices in executive compensation.

Except as described above and except for services provided to the Governance and Nominating Committee of the Board of Directors with respect to director compensation, the independent compensation consultant provided no other services to the Company in 2013.

As part of its annual performance evaluation of the independent compensation consultant, the Compensation Committee considered Semler Brossy's independence in light of applicable SEC rules and NYSE listing standards. At the Compensation Committee's request, Semler Brossy provided information addressing the independence of the individual compensation advisors and consulting firm, including the following factors: (1) any other services provided by the consulting firm to the Company; (2) the amount of fees paid by the Company as a percentage of the consulting firm's total revenue; (3) the policies and procedures of the consulting firm that are designed to prevent conflicts of interest; (4) any business or personal relationships of the individual compensation advisors with a member of the Compensation Committee; (5) any Company stock owned by the individual compensation advisors; and (6) any business or personal relationships of the individual compensation advisor or consulting firm with our executive officers. The Compensation Committee assessed these factors and concluded that Semler Brossy's work did not raise any conflict of interest.

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How We Determine Total Direct Compensation for Our NEOs

Given our Company's size and unique mix of service offerings, we do not have strictly comparable industry peers against which we can evaluate executive compensation. To assist it in evaluating the total direct compensation of our NEOs, the Compensation Committee considered comparative market data provided by its independent compensation consultant for companies within the peer group and for companies within general industry, as described further below under Overview of Compensation Practices Peer Group for 2013 Executive Compensation Decisions.

For 2013, the Compensation Committee considered relevant market pay practices when setting executive compensation, but did not benchmark specific compensation elements or total compensation of each executive against the market data. Instead, the Compensation Committee utilized the market data in evaluating the overall competitiveness of the Company's executive compensation program. The Compensation Committee also sought to maintain the overall target compensation of the executive team as a whole at approximately the median of market practices. In assessing the Company's overall executive compensation, the Compensation Committee considered annual base salaries together with the annual cash incentive award payouts at target performance levels and the fair value of the target long-term equity incentive compensation awards.

While the Compensation Committee considers relevant market pay practices when setting executive compensation, the Compensation Committee does not believe that it is appropriate to establish compensation levels based solely on market data. The Compensation Committee believes that compensation decisions are complex and require consideration of overall Company performance, challenges facing the Company, general economic conditions, advice from the independent compensation consultant, compensation recommendations made by the CEO and peer compensation levels. The factors that influence the amount and mix of each executive's total direct compensation include the executive's contributions to shareholder value accretion, scope of responsibilities, credentials, length of service, skills, experience and individual performance. In addition, the Compensation Committee also considers each executive's compensation history, the market competition for such position and the relative comparability of pay internally across executives with similar organizational impact and responsibilities.

Peer Group for 2013 Executive Compensation Decisions

Each year, the Compensation Committee, with input from its independent compensation consultant, reviews and approves the peer group used in evaluating executive compensation to ensure that the peer group continues to reflect certain market characteristics comparable to those of the Company. Those characteristics include being traded on a major United States stock exchange, being in the transportation sector (based on the Global Industry Classification Standard, or GICS) and being the same relative size as the Company. Based on the advice of Semler Brossy, the Committee decided that no changes to the peer group used in the prior year were needed for purposes of evaluating 2013 executive compensation decisions.

Peers were generally selected among companies with revenue in a range of approximately 0.4 to 2.0 times the Company's revenue, with a slight bias to smaller companies so that more of our direct trucking competitors would be included in the peer group. The companies selected for the peer group had annual revenues of approximately \$2.0 to \$11.8 billion, with a median of \$5.0 billion, at the time the peer group was approved at the end of 2012, as compared to the Company's 2013 annual revenue of \$5.5 billion.

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The peer group of companies used to evaluate 2013 executive compensation decisions consisted of the following companies:

Alaska Air Group Inc.	JetBlue Airways Corp.
Amerco	Landstar System Inc.
Avis Budget Group Inc.	Norfolk Southern Corp.
Canadian National Railway Co.	Republic Airways Holdings Inc.
Canadian Pacific Railway Ltd.	Ryder System Inc.
C.H. Robinson Worldwide Inc.	SkyWest Inc.
CSX Corp.	Swift Transportation Co.
Expeditors International of Washington Inc.	UTi Worldwide Inc.
Hertz Global Holdings Inc.	Werner Enterprises Inc.
J.B. Hunt Transport Services, Inc.	YRC Worldwide Inc.

General Industry Survey Data

The Compensation Committee also uses general industry compensation survey data in its evaluation of executive compensation. In compiling compensation market data, the independent compensation consultant, Semler Brossy, may supplement the peer group data with data from other companies included in certain general industry compensation surveys if they determine that a particular executive position is not generally reported in proxy statements or is not sufficiently represented in the peer group. For the 2013 executive compensation review, Semler Brossy compiled compensation data from the following general industry compensation surveys: 2012 U.S. Mercer Benchmark Database Executive (which included data from approximately 84 companies with annual revenues between \$3.8 billion and \$7.5 billion) and Equilar Top 25 (which included data from approximately 376 companies with annual revenues between \$2.0 billion and \$11.0 billion).

In the evaluation of 2013 executive compensation for the positions of CEO (Mr. Stotlar) and CFO (Mr. Bruffett), Semler Brossy weighted the peer group proxy data at 50% with the remaining 50% of the comparator data from the Mercer survey, based on Semler Brossy's assessment of the relevancy of the data sources. For executive positions that oversaw business units (Messrs. Bianco and Lehmkuhl), Semler Brossy considered the proxy data from the peer group as the most relevant market data. For Mr. Krull, whose position is not reported as consistently in proxy data, the Compensation Committee considered only the survey data, with equal weighting between the Mercer and Equilar surveys.

CEO Compensation

The Compensation Committee did not provide any year-over-year increase in Mr. Stotlar's target total direct compensation for 2013. Generally, the Compensation Committee evaluates Mr. Stotlar's target total direct compensation to assess whether it is competitive compared to the median of market data for chief executive officers at comparable companies, including in our peer group. In determining Mr. Stotlar's 2013 target total direct compensation, the Compensation Committee also considered general economic conditions, the mix of elements in the total direct compensation package, overall Company performance and the potential perspectives of our shareholders.

The Compensation Committee made no changes to Mr. Stotlar's base salary and annual incentive compensation opportunity for 2013 compared to 2012. Based on its assessment of competitive market practices and the recommendation of the independent compensation consultant, the Compensation Committee increased his long-term equity incentive opportunity to 300% - 400% (from 250% - 350% in 2012). However, the Committee granted Mr. Stotlar a

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below-midpoint award of 300% in 2013, again unchanged from 2012. In order to tie CEO compensation to Company performance, the equity mix of his long-term incentive award continued to be comprised of 50% performance share plan units and 50% restricted stock units.

As in prior years, in 2013, the CEO's total direct compensation was higher than that of the other NEOs. This difference reflects both the assessment of a chief executive officer's skills, experience and value relative to that of other senior company executives and the Compensation Committee's belief that Mr. Stotlar's substantially higher level of responsibility and accountability, as well as greater potential impact on the Company's financial results, warrants a higher level of compensation than the other NEOs. This higher level of compensation is also consistent with market practices.

Our Executive Compensation Program

Our executive compensation program consists of three primary elements: annual base salary, annual cash incentive awards and long-term equity incentive compensation awards. Each element is discussed in more detail below.

Annual Base Salary

The Compensation Committee decided not to provide a base salary increase to any of the NEOs other than Mr. Lehmkuhl in 2013. In evaluating annual base salaries, the Compensation Committee considered market data, the Company's financial performance, the recommendations of Semler Brossy, the CEO's recommendations with respect to the other executives, and the scope of each executive's responsibilities, level of experience, individual performance, and salary history. Based on these factors, the Compensation Committee approved the following base salaries effective January 27, 2013:

NEO	2012 Annual Base Salary (in 000 \$)	Increase (%)	2013 Annual Base Salary (in 000 \$)
Douglas W. Stotlar	\$ 795.0	0	\$ 795.0
Stephen L. Bruffett	\$ 450.0	0	\$ 450.0
Robert L. Bianco, Jr.	\$ 430.0	0	\$ 430.0
Stephen K. Krull	\$ 400.0	0	\$ 400.0
W. Gregory Lehmkuhl	\$ 400.0	12.5	\$ 450.0

The Compensation Committee increased Mr. Lehmkuhl's base salary in part to ensure that his total compensation package was competitive with the median of market practice for presidents of primary business units at our peer group companies, and in recognition of the scope of Mr. Lehmkuhl's job responsibilities and ability to impact overall Company financial results as the President of Con-way Freight, our largest business unit.

Annual Cash Incentive Awards

The objective of the annual cash incentive program is to focus executives on the achievement of financial performance goals that are tied to the short-term business objectives of the business unit(s) for which the executive is responsible. Payouts under the annual cash incentive program are based on the level of achievement of performance goals set annually by the Compensation Committee. Specifically, the amount actually paid under the annual cash incentive program to each NEO equals the product of (i) a target award for each NEO, which is base salary multiplied by the annual incentive target, and (ii) each business unit's performance measured against predetermined financial performance goals, which is the financial performance multiplier:

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Consistent with the year-over-year decline in our operating income, for 2013, our NEOs received annual cash incentive compensation below target, as described more fully below.

What are the performance metrics for the 2013 annual cash incentive program?

Annual cash incentive awards granted to business unit heads are based entirely on the operating results of the business unit for which they are responsible. The performance metrics applicable to the 2013 annual cash incentive awards for Messrs. Bianco and Lehmkuhl, who head two of the Company’s primary business units, are shown in the table below.

**Performance Metrics Applicable to 2013 Annual Cash Incentive Awards
(Business Unit Heads)**

NEO Robert L. Bianco, Jr. W. Gregory Lehmkuhl	Performance Metric Adjusted operating income of Menlo Worldwide Logistics Adjusted operating income of Con-way Freight
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The 2013 annual cash incentive awards to Con-way Inc. executives Messrs. Stotlar, Bruffett and Krull were based on the respective performances of Con-way Freight, Con-way Truckload and Menlo Worldwide Logistics relative to the adjusted operating income goals of each business unit, weighted by percentage of net revenue, as shown in the table below.

**2013 Annual Cash Incentive Awards
(NEOs at Con-way Inc.)**

Business Unit Con-way Freight Con-way Truckload Menlo Worldwide Logistics Total	Weighting 72 % 14 % 14 % 100 %
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The Compensation Committee includes certain pre-defined adjustments to the operating income performance metric to provide NEOs with an incentive to take actions that are in the long-term interests of the business unit, but that might otherwise adversely affect payouts on the annual cash incentive awards. Operating income (as determined in accordance with United States generally accepted accounting principles) is adjusted for (i) asset impairments pursuant to FASB Codification topics 350 and 360, (ii) restructuring charges pursuant to FASB Codification topic 420 (limited to those adjustments in excess of \$1.0 million per event during the relevant calendar year), (iii) defined-benefit pension settlements pursuant to FASB Codification topic 715, and (iv) changes in accounting principles pursuant to FASB Codification topic 250.

TABLE OF CONTENTS**How does the Compensation Committee determine the annual cash incentive award target for each NEO?**

Each NEO's annual cash incentive award is set at a level designed to deliver, at target performance levels, a specified percentage of annual base salary. The Compensation Committee assesses the reasonableness of these percentages based on market data as part of its review of total target direct compensation. For each of the NEOs, there was no change from the percentages that were applicable in 2012.

The target percentages applicable to the NEOs for 2013 annual incentive compensation are shown in the table below.

NEO	Annual Cash Incentive Award Target (as a percentage of annual base salary)
Douglas W. Stotlar	125 %
Stephen L. Bruffett	70 %
Robert L. Bianco, Jr.	70 %
Stephen K. Krull	70 %
W. Gregory Lehmkuhl	70 %

How does the Compensation Committee set the performance goals for the annual cash incentive awards?

Numerical performance goals are set for threshold, target and maximum performance levels. For performance between threshold and target performance levels, or target and maximum performance levels, the actual payout is determined by interpolation. The maximum annual cash incentive payout that an executive can receive is 200% of the target payout.

The Compensation Committee considered projected performance as reflected in the Company's one-year financial plans, which were developed by the Company and its business units and approved by the Board of Directors, when setting the goals set forth in the table below. In evaluating financial plans, among the factors the Compensation Committee considers are market conditions, the business cycle, operating plan priorities and the prospective return on capital employed by the Company and its respective primary business units. It also gauges the relative degree of difficulty the Company and its business units will face in meeting the financial plans. The Compensation Committee discusses the financial plans with the CEO and takes into consideration his recommended performance goals and corresponding payout levels. Based on its independent assessment of all of these factors, the Compensation Committee sets the numerical performance goals.

In 2013, what were the annual cash incentive performance goals and how did actual performance compare to the goals?

The following table shows the numerical performance goals that applied to the annual NEO awards, as well as the level of achievement in 2013.

TABLE OF CONTENTS**Performance Goals Applicable to 2013 Annual Cash Incentive Awards**

Performance Metrics	Performance Goals and Actual Achievement (in 000 s)	Payout Percentage	
Adjusted Operating Income Con-way Freight	Threshold	\$ 121,350	56 %
	Target	\$ 173,357	100 %
	Maximum	\$ 208,028	200 %
	Actual	\$ 146,047	76.9 %
Adjusted Operating Income Con-way Truckload	Threshold	\$ 37,109	56 %
	Target	\$ 53,013	100 %
	Maximum	\$ 63,616	200 %
	Actual	\$ 38,691	60.4 %
Adjusted Operating Income Menlo Worldwide Logistics	Threshold	\$ 32,916	56 %
	Target	\$ 47,023	100 %
	Maximum	\$ 56,428	200 %
	Actual	\$ 23,468	0.0 %

Based on the achievement percentage noted for each business unit in the previous table and the relative weighting discussed above, the resulting 2013 achievement percentage for Con-way Inc. executives is at a 63.8% performance level versus target. In the case of Mr. Stotlar, the Compensation Committee exercised its discretion to reduce his payout to 55.0% to reflect the Company's financial results in 2013. Therefore, each NEO received the following percentage of his target payout as annual incentive compensation for 2013:

NEO	Payout Percentage at Achievement Level
Douglas W. Stotlar	55.0 %
Stephen L. Bruffett	63.8 %
Robert L. Bianco, Jr.	0.0 %
Stephen K. Krull	63.8 %
W. Gregory Lehmkuhl	76.9 %

Long-Term Equity Incentive Compensation Awards

The Compensation Committee designed our 2013 long-term equity incentive compensation program to focus executives on financial metrics, as discussed further below, that are complementary to the performance metric of adjusted operating income applicable to our short-term cash incentive program. Our long-term equity incentive program also aligns the interests of our executives with those of our shareholders through the use of stock-based awards and rewards executives for increases in our stock price over time.

How does the Compensation Committee determine the long-term equity incentive compensation opportunity for each NEO?

To determine the dollar value of each NEO's target long-term equity incentive award, the Compensation Committee has established a range of multiples, as a percentage of base salary, applicable to each executive grade level. The ranges are competitive with market data and allow the Compensation Committee to adjust awards for particular NEOs based on individual performance, contribution to the Company and overall Company financial results, while remaining within a reasonable range of market overall.

In determining awards, the CEO and the Compensation Committee also consider the overall use of shares and costs for the Company. As a result, some executives may receive grants below the midpoint of the applicable range in order to allow awards above the midpoint to others. A below-midpoint award does not necessarily indicate any perceived shortcoming in an executive's performance.

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The multiples applicable to the NEOs' 2013 target long-term incentive awards are shown in the following table.

Long-Term Incentive Compensation Opportunities as a Multiple of Base Salary

NEO	Long-Term Incentive Award Range (as a multiple of base salary)		Long-Term Incentive Award (as a multiple of base salary)	Total Grant Date Value of Long-Term Incentive Award (in 000 \$)
Douglas W. Stotlar	300%	400%	300%	\$ 2,385,062
Stephen L. Bruffett	175%	225%	210%	\$ 945,034
Robert L. Bianco, Jr.	175%	225%	200%	\$ 860,026
Stephen K. Krull	175%	225%	185%	\$ 740,006
W. Gregory Lehmkuhl	175%	225%	210%	\$ 945,034

Based on its assessment of competitive market practices and the recommendation of the independent compensation consultant, the Compensation Committee increased the long-term incentive award range applicable to Mr. Stotlar in 2013 from 250% - 350% to 300% - 400%. Despite this increase, Mr. Stotlar's 2013 target long-term incentive compensation was set at 300% of his annual base salary, which is below the mid-point of the range and unchanged from 2012. For 2013, although still within range, above-midpoint long-term incentive opportunities were provided to Messrs. Bruffett and Lehmkuhl in recognition of the scope of responsibility for their respective roles.

How does the Compensation Committee determine which equity vehicles are granted to the NEOs?

Given the pay-for-performance nature of our executive compensation program, the Compensation Committee included performance share plan units (PSPUs) in the mix of long-term equity incentive compensation awards granted to NEOs in February 2013. In determining the types of long-term incentive awards to be granted, the Compensation Committee considered factors such as the alignment of executive and shareholder interests, the competitive practices of our peers, the motivational and retention values of the awards and share utilization. The Compensation Committee believes that when taken together, the 2013 equity mix of PSPUs and restricted stock units (RSUs) provide a balanced mix of long-term incentive awards that align the interests of executives with those of shareholders.

The Compensation Committee believes that PSPUs, which have a three-year performance period, effectively focus executives on performance metrics that are linked to the long-term financial objectives of the Company and appropriately expose executives to the risk of no award if certain threshold performance goals are not met. The Compensation Committee also believes that RSUs, which are subject to three-year cliff vesting, ensure that executives are aligned with shareholders by incentivizing executives to take a longer-term perspective when managing the Company's businesses.

The Compensation Committee also views PSPUs and RSUs, which have a three-year performance period and three-year vesting period, respectively, as providing important motivational and retention benefits. The 2013 PSPU and RSU awards are subject to the Company's retention policy described under Executive Summary Corporate Governance Framework and are expected to assist the NEOs in meeting the Company's stock ownership guidelines also described under Executive Summary Corporate Governance Framework. Compliance with the guidelines will result in the NEOs building meaningful equity positions in the Company, thereby further aligning their interests with

the interests of other shareholders.

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The Compensation Committee chose to allocate 50% of the total equity grant value for each NEO in the form of PSPUs and 50% of the total equity grant value in the form of RSUs. Given the Company's pay-for-performance philosophy, the Compensation Committee felt that it was important to award at least half of the total equity grant value in the form of performance-based equity awards that are tied to specific performance metrics. In order to encourage executives to build their stock ownership in the Company and to align their interests with the interests of the Company's shareholders, the Compensation Committee felt that it was appropriate to grant the remaining 50% of the total equity grant value in the form of RSUs.

How does the Compensation Committee determine the exact number of PSPUs and RSUs to grant to each NEO?

The number of long-term incentive awards to be granted to each NEO is calculated using (i) the total grant date value as shown in the table above, (ii) the Compensation Committee's allocation of this total dollar value among types of awards (e.g., for 2013, PSPUs (50%) and RSUs (50%)), and (iii) the closing price of the Company's common stock on the grant date.

What are the performance metrics for the 2013 PPU awards made to NEOs in February 2013?

The PPU awards granted in February 2013 are for a three-year performance period covering 2013-2015 and vest at the end of that period subject to achievement of pre-established threshold, target, and maximum performance goals. The Committee defined the objective of the PPU awards as rewarding executives for maintaining an acceptable level of profit growth over a multi-year period and throughout the cycles of our business. With respect to these PPU awards, the Committee selected Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) as the performance metric for evaluating long-term profit growth. EBITDA was selected as the performance metric because the Compensation Committee felt that it is a widely-used measure of the economic value of businesses similar to the Company and is less sensitive to exogenous factors over the business cycle than other metrics, such as net income or earnings per share, making it a more meaningful metric.

In addition to EBITDA, the Committee is focused on ensuring that management achieves a reasonable rate of return on the capital employed in the business to generate growth. As a result, the Committee also evaluates return on invested capital (ROIC) in setting the EBITDA performance goal for the PPU awards.

With respect to EBITDA growth, the Compensation Committee chose the Company's 3-year average EBITDA growth as the performance measure. For the 2013-2015 performance period, the 3-year average EBITDA growth will be calculated at the end of the performance period as the average of the annual EBITDA growth rates during the three-year performance period.²

How did the Compensation Committee determine the performance goals for the 2013 PPU awards?

Numerical performance goals are set for threshold, target and maximum performance levels. For performance between threshold and target performance levels, or target and maximum performance levels, the actual payout is determined by interpolation. The maximum PPU award that an executive can receive is 200% of the target number of shares.

Among the factors the Compensation Committee considered when setting the performance goals were the cyclical nature of the Company's business, the Company's financial performance

In more specific detail, EBITDA is defined as the Company's consolidated Operating Income (Loss) plus Depreciation and Amortization determined on a U.S. GAAP basis, adjusted for asset impairments pursuant to FASB Codification topics 350 and 360, restructuring charges pursuant to FASB Codification topic 420 (limited to those adjustments in excess of \$1.0 million per event during the relevant calendar year), defined-benefit pension settlements pursuant to FASB Codification topic 715, changes in accounting principles pursuant to FASB Codification topic 250, and the impact of future acquisitions and/or dispositions effective after the grant date pursuant to FASB Codification topics 805 and 205.

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relative to its competitors, expected future economic growth (as measured by GDP forecasts) and market conditions, long-term operating and strategic plan priorities, the prospective ROIC of the Company and the competitive practices of our peers. In particular, the Committee evaluated the target level of growth relative to the level of EBITDA needed for ROIC to exceed the Company's weighted-average cost of capital. It also considered the relative degree of difficulty the Company and its business units will face in meeting these performance goals; however, the Compensation Committee explicitly did not rely on budgets or management forecasts as the primary determinant of long-term performance goals. The Compensation Committee also discussed the performance goals with the CEO and took into consideration his recommended performance goals and corresponding payout levels. Based on its independent assessment of all of these factors, the Compensation Committee set the numerical performance goals.

How difficult will it be to achieve the performance goals for the 2013 PSPU awards?

The Compensation Committee established the performance goals to encourage strong, focused performance. The target payout level is designed to be achievable with strong management performance over our business cycle and favorable economic conditions, while payout at the maximum level is designed to be very difficult to achieve. Both the target and maximum payout levels are designed to reflect financial performance that is rewarding to shareholders.

Retirement Benefits

401(k) Savings Plans

The Company maintains 401(k) plans to provide employees with an opportunity to accumulate benefits for retirement. These broad-based plans are not limited to executives as many other Company employees are eligible to participate.

For additional information regarding Company contributions to the 401(k) accounts of the NEOs, see the 2013 Summary Compensation Table and accompanying footnotes.

Defined Benefit Pension Plans

In addition to the Company's 401(k) savings plans, certain executives were previously eligible to participate in the Company's broad-based defined benefit pension plans. These plans were closed with respect to new participants, effective December 31, 2006, and the Company ceased credited service accruals under these plans after December 31, 2006. The Company also amended its defined benefit pension plans to provide that a participant's average final compensation (which is used when determining benefits available under the plans) will only take into account compensation paid through April 2009.

For additional information regarding the pension benefits available to the NEOs, see the 2013 Pension Benefits table below and the narrative that follows that table.

Non-Qualified Supplemental Plans

Employees of the Company (including the NEOs) who are subject to federal tax law limits on the compensation that can be taken into account for the 401(k) plans and defined benefit pension plans also participate in non-qualified supplemental plans maintained by the Company. Plan participants receive benefits under the supplemental plans that they would have received under the defined benefit pension plans and 401(k) plans if not for the federal tax law limits. The Company maintains the supplemental plans in order to provide competitive post-retirement benefits. For additional information, see the 2013 Nonqualified Deferred Compensation table and the 2013 Pension Benefits table below.

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Deferred Compensation Plans

The Company provides eligible highly compensated key employees the opportunity to defer receiving a portion of their compensation until after termination of employment. The deferred compensation plans provide an additional tax-deferred vehicle to save for retirement. The Company does not make contributions to the deferred compensation plans on behalf of executives or other participants in the plans. The Company's obligation to pay such deferred compensation account balances is unsecured.

For additional information regarding the deferred compensation accounts of the NEOs, see the 2013 Nonqualified Deferred Compensation table below.

Post-Employment Compensation

The Compensation Committee believes that severance benefits and change-in-control benefits are necessary to attract and retain the high-performing executives that the Company seeks for its most senior positions. In addition, the Compensation Committee believes that change-in-control benefits reduce the risk to individual executives if the Company or a business unit is merged with or sold to another group or entity, thereby allowing such executive to favorably present the Company and negotiate such transactions in the interests of shareholders without the distraction of their personal concerns or interests. For non-change-in-control terminations, the Committee believes that by eliminating the need for negotiations upon a separation of service, a pre-determined severance arrangement reduces the potential costs to shareholders and increases the likelihood of an amicable separation when management changes are needed. The Company does not have employment agreements with the NEOs. Under the Company's non-change-in-control and change-in-control executive severance programs, each of the NEOs has severance agreements with the Con-way company that employs the NEO.

The non-change-in-control severance agreements provide for severance benefits to be paid upon a termination of employment, other than in connection with a change in control or for cause, and for partial vesting of equity awards. The change-in-control severance agreements provide for severance benefits to be paid in the event of a qualifying termination in connection with a change in control. The levels of benefits payable to the NEOs under these agreements were determined based on comparative market data supplied by the independent compensation consultant to the Compensation Committee at the time of the agreement.

Additional information regarding the Company's non-change-in-control and change-in-control executive severance programs, as well as a table showing the payments and benefits that the NEOs would have been eligible to receive under the severance programs if a qualifying termination of employment had occurred on December 31, 2013, can be found under Other Potential Post-Employment Payments below.

Perquisites

The Company provides limited perquisites, which currently include eligibility to participate in the Company's car program and the Flexible Perquisites Program (FPP). Participation in the Company's car program is not limited to executives and participation in the FPP is not limited to NEOs. Under the FPP, which was reinstated in January 2013 after being suspended in March 2009, executives are entitled to receive \$8,000 per year (before tax withholding) to use for expenses that the Company does not reimburse, which includes obtaining a required executive physical and services such as tax preparation, estate and financial planning, long-term care insurance or other benefits, at the discretion of the executive.

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Tax Considerations

Federal tax law limits the deductibility by the Company of non-performance based compensation paid to the CEO and the three other most highly compensated executives, other than the CFO (the covered employees). All amounts of non-performance based compensation in excess of the annual statutory maximum of \$1 million per covered employee are not deductible. The Company's general policy is, where feasible, to structure incentive compensation paid to the covered employees so that it qualifies as performance-based compensation, which is exempt from the \$1 million annual cap and thus is deductible for federal income tax purposes. Because the Compensation Committee also recognizes the need to retain flexibility to make compensation decisions that may not meet the standards of performance-based compensation when necessary to enable the Company to continue to attract, retain and motivate highly-qualified executives, it reserves the authority to approve potentially non-deductible compensation in appropriate circumstances.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis which appears in this Proxy Statement.

Based on the review and discussion referred to above, the Compensation Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement to be filed in connection with the Company's 2014 Annual Meeting of Shareholders and incorporated by reference into the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

THE COMPENSATION COMMITTEE

Michael J. Murray
William J. Schroeder, Chairman

P. Cody Phipps
Chelsea C. White III

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

Members of the Compensation Committee are all independent directors of the Company and have no other relationships with the Company and its subsidiaries.

TABLE OF CONTENTS**EXECUTIVE COMPENSATION TABLES****2013 SUMMARY COMPENSATION TABLE**

The following table provides information regarding the compensation of the Company's Chief Executive Officer, Chief Financial Officer, and the three other most highly-compensated executive officers serving as executive officers of the Company as of December 31, 2013 (collectively, the NEOs).

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽³⁾	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$) ⁽⁴⁾	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) ⁽⁵⁾	All Other Compensation (\$) ⁽⁶⁾	Total (\$)
D.W. Stotlar President & CEO	2013	798,086		2,300,591		546,582		144,866	3,790,125
	2012	773,087		2,293,016		996,989	428,011	112,218	4,603,321
	2011	677,651		803,451	1,251,056	616,303	627,871	50,692	4,027,024
S.L. Bruffett Exec. VP & CFO	2013	451,739		911,564		201,018		44,014	1,608,335
	2012	445,506		899,120		322,548		36,856	1,704,030
	2011	425,077		327,567	510,048	271,152		31,453	1,565,297
R.L. Bianco, Jr. ⁽¹⁾ Exec. VP	2013	431,694		829,566				64,552	1,325,812
	2012	426,780		848,325		290,901	167,187	66,628	1,799,821
	2011	410,384		339,978	529,392	438,027	250,449	47,446	2,015,676
S.K. Krull Exec. VP, General Counsel & Secretary	2013	401,575		713,798		178,695		31,122	1,325,190
	2012	401,575		711,546		291,297		12,156	1,416,574
	2011	276,948	333,093	896,116	924,901			9,150	2,440,208
W.G. Lehmkuhl ⁽²⁾ Exec. VP	2013	448,087		911,564		239,622		50,382	1,649,655
	2012	401,575		769,224		281,957	26,008	36,923	1,515,687

(1) Mr. Bianco is also President of Menlo Worldwide, LLC, the Company's supply chain management company.

(2) Mr. Lehmkuhl is also President of Con-way Freight Inc., the Company's full-service less-than-truckload company. He was appointed to this position in September 2011.

(3) Amounts reported in this column for 2013 reflect the aggregate grant date fair value of restricted stock units and performance share plan unit awards calculated in accordance with FASB ASC Topic 718 and pursuant to our long-term incentive program as described on page 51 of the Compensation Discussion and Analysis. The amounts included in the Stock Awards column for the performance share plan unit awards granted during 2013 are

calculated based on the probable satisfaction of the performance conditions for such awards. Assuming the highest level of performance is achieved for these performance share plan unit awards, the maximum value of these awards at the grant date would be as follows: Mr. Stotlar \$2,300,591; Mr. Bruffett \$911,564; Mr. Bianco \$829,566; Mr. Krull \$713,798; and Mr. Lehmkuhl \$911,564. For information on the valuation assumptions for the 2013 equity grants, see Note 10, Share-Based Compensation of Item 8, Financial Statements and Supplementary Data, of our Form 10-K for the year ended December 31, 2013, as filed with the SEC.

(4) Amounts reported in this column for 2013 reflect the annual cash incentive awards earned under the Company's short-term incentive compensation plan (the Executive Incentive Plan). Information regarding applicable performance goals and achievement levels is contained under Annual Cash Incentive Awards in the Compensation Discussion and Analysis above.

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(5) Amounts reported in this column for 2013 reflect the aggregate increase (decrease) in the actuarial present value of the NEOs' accumulated benefits under the Company's pension and supplemental excess retirement plans during 2013. The age 65 pension benefits are no longer increasing for all participants. However, the actuarial present value of a participant's benefit can change each year based on the assumed interest rate, the mortality table, and the executive's age. The changes in actuarial present value under the pension plan and supplemental excess retirement plans for 2013 are shown in the table below. Messrs. Bruffett and Krull do not participate in the Company's pension plan and supplemental excess retirement plans because they joined the Company after these plans were closed to new participants. The actuarial present value for each of the three NEOs decreased during 2013.

NEO	Change in Actuarial Present Value Con-way Pension Plan (\$)	Change in Actuarial Present Value Con-way Supplemental Excess Retirement Plans (\$)	Total Change (\$)
D.W. Stotlar	(64,953)	(208,601)	(273,554)
R.L. Bianco, Jr.	(55,973)	(81,686)	(137,659)
W.G. Lehmkuhl	(20,124)	(7,750)	(27,874)

On deferred compensation account balances that were credited with returns based on the Bank of America prime rate, no amounts were earned above 120% of the applicable federal rate. Other deferred compensation balances, as well as Supplemental Retirement Savings Plan (SRSP) account balances, are credited with returns based on the performance of one or more investment funds chosen by the NEO from a group of available funds, which are substantially the same funds as are made available in the Company's tax-qualified 401(k) plans.

(6) Amounts reported in this column for 2013 include Company-paid life and disability insurance premiums, payments under the Flexible Perquisites Program, the annual cost of providing use of a Company automobile, and Company contributions to defined contribution plans. Amounts reported in the column for 2012 and 2011 are corrected from the amounts shown in prior year proxy statements to include disability insurance premiums. In 2013, Company contributions to defined contribution plans include the SRSP Registrant Contributions as shown in the 2013 Nonqualified Deferred Compensation table and 401(k) plan Company contributions as follows: Mr. Stotlar \$17,850; Mr. Bruffett \$7,650; Mr. Bianco \$15,300; Mr. Krull \$5,100; and Mr. Lehmkuhl \$10,200.

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The following table presents, for each of our NEOs, information regarding annual cash incentive awards and long-term equity incentive compensation awards granted in 2013 pursuant to our 2012 Equity and Incentive Plan. The actual amount of the annual cash incentive award received by each NEO for performance during 2013 is shown in the 2013 Summary Compensation Table above.

Name	Grant Date	Approval Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares of Stock or Units (#) ⁽³⁾	All Other Exercise Grants: Number of Shares of Stock and Option Awards (\$) ⁽⁴⁾	Fair Value of Stock and Option Awards (\$) ⁽⁴⁾
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)			
D.W. Stotlar Annual Executive Incentive Plan (XIP) Performance Share Plan Unit Award	02/11/13	01/21/13	556,520	993,785	1,987,570	0	35,492	70,984		1,150,296	
Restricted Stock Unit Award	02/11/13	01/21/13							35,492	1,150,296	
S.L. Bruffett Annual Executive Incentive Plan (XIP) Performance Share Plan Unit Award	02/11/13	01/21/13	176,403	315,006	630,011	0	14,063	28,126		455,782	
Restricted Stock Unit Award	02/11/13	01/21/13							14,063	455,782	
R.L. Bianco, Jr. Annual Executive Incentive Plan			168,576	301,028	602,056						

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(XIP)								
Performance								
Share Plan Unit	02/11/13	01/21/13			0	12,798	25,596	414,783
Award								
Restricted								
Stock Unit	02/11/13	01/21/13					12,798	414,783
Award								
S.K. Krull								
Annual								
Executive								
Incentive Plan			156,814	280,025	560,050			
(XIP)								
Performance								
Share Plan Unit	02/11/13	01/21/13			0	11,012	22,024	356,899
Award								
Restricted								
Stock Unit	02/11/13	01/21/13					11,012	356,899
Award								
W.G. Lehmkuhl								
Annual								
Executive								
Incentive Plan			174,520	311,642	623,284			
(XIP)								
Performance								
Share Plan Unit	02/11/13	01/21/13			0	14,063	28,126	455,782
Award								
Restricted								
Stock Unit	02/11/13	01/21/13					14,063	455,782
Award								

(1) The terms of these awards (including the actual amounts received by the NEOs) are discussed in the Compensation Discussion and Analysis under Our Executive Compensation Program Annual Cash Incentive Awards. For all executives, Estimated Possible Payouts are based on actual salary paid during the calendar year 2013, as defined in the plan, consistent with the methodology used for calculating final plan payments.

(2) The terms of the Company's performance share plan unit grants are discussed below and in the Compensation Discussion and Analysis under Our Executive Compensation Program Long-Term Equity Incentive Compensation Awards.

(3) The terms of the Company's restricted stock unit grants are discussed below and in the Compensation Discussion and Analysis under Our Executive Compensation Program Long-Term Equity Incentive Compensation Awards.

(4) Amounts shown in this column reflect the grant date fair value of performance share plan unit awards and restricted stock unit awards calculated in accordance with FASB ASC Topic 718 and, in the case of the performance share plan unit awards, are based upon the probable outcome of the applicable performance conditions. For information on the valuation assumptions for the 2013 grants, see Note 10, Share-Based Compensation of Item 8, Financial Statements and Supplementary Data, of our Form 10-K for the year ended December 31, 2013, as filed with the SEC.

The amounts shown above in the Estimated Possible Payouts Under Non-Equity Incentive Plan Awards column reflect the amounts payable at threshold, target, and maximum achievement levels for the 2013 annual cash incentive awards. The performance goals applicable to the awards are discussed in the Compensation Discussion and Analysis above.

The performance share plan unit awards listed in the 2013 Grants of Plan-Based Awards Table are scheduled to vest on the third anniversary of the grant date, or February 11, 2016, subject to the Company's achievement of performance goals relating to EBITDA, as described in the Compensation

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Discussion and Analysis under Our Executive Compensation Program Long-Term Equity Incentive Compensation Awards. Except in the limited circumstances of death, disability, and retirement or in connection with a change in control, the performance share plan units will be forfeited if an executive leaves the Company prior to the end of the three-year period. Upon vesting, the performance share plan units are settled in shares of Company common stock. The performance share plan units do not pay dividend equivalents in the event that a dividend is declared on the Company's common stock.

The restricted stock unit awards listed in the 2013 Grants of Plan-Based Awards Table are scheduled to vest on the third anniversary of the grant date, or February 11, 2016, and except in the limited circumstances of death, disability, and retirement or in connection with a non-change-in-control or change-in-control severance, provide for forfeiture of the restricted stock units if an executive leaves the Company prior to the end of the three-year period. Upon vesting, the restricted stock units are settled in shares of Company common stock. The restricted stock units do not pay dividend equivalents in the event that a cash dividend is declared on the Company's common stock, but do pay dividend equivalents if stock dividends are declared.

Pursuant to Compensation Committee policy, awards of performance share plan units and restricted stock units are made after the close of the market on the third business day after the Company's fourth quarter and full year earnings have been announced.

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The following table identifies the exercisable and unexercisable option awards and unvested stock awards for each of the NEOs as of December 31, 2013.

Name	Option Awards					Stock Awards		Equity Incentive Plan Awards: Number of Shares, Other Rights that have not Vested (#) ⁽⁴⁾	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Other Rights that have not Vested (\$) ⁽³⁾
	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable ⁽¹⁾	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that have not Vested (#) ⁽²⁾	Market Value of Shares or Units of Stock that have not Vested (\$) ⁽³⁾		
D.W. Stotlar	2/11/2013					35,492	1,409,387	70,984	2,818,775
	2/7/2012					38,642	1,534,474	77,284	3,068,948
	2/7/2011	66,957	33,481	31.8900	2/7/2021	26,154	1,038,575		
	2/9/2010	146,986		28.9200	2/9/2020				
	1/26/2009	125,513		20.2700	1/26/2019				
	1/28/2008	88,867		44.0900	1/28/2018				
	1/29/2007	115,000		46.6500	1/29/2017				
	1/22/2006	55,000		55.2000	1/22/2016				
	4/25/2005	79,673		43.9300	4/25/2015				
	12/17/2004	40,000		49.1100	12/17/2014				
S.L. Bruffett	2/11/2013					14,063	558,442	28,126	1,116,883
	2/7/2012					15,152	601,686	30,304	1,203,372
	2/7/2011	27,297	13,651	31.8900	2/7/2021	10,663	423,428		
	2/9/2010	40,435		28.9200	2/9/2020				
	1/26/2009	30,376		20.2700	1/26/2019				
	9/20/2008	10,000		50.3800	9/20/2018				
R.L. Bianco, Jr.	2/11/2013					12,798	508,209	25,596	1,016,417
	2/7/2012					14,296	567,694	28,592	1,135,388
	2/7/2011		14,168	31.8900	2/7/2021	11,067	439,471		
	1/28/2008	29,515		44.0900	1/28/2018				
	1/29/2007	30,000		46.6500	1/29/2017				
	1/22/2006	8,700		55.2000	1/22/2016				
	1/24/2005	8,000		46.0200	1/24/2015				

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S. K. Krull	2/11/2013				11,012	437,287	22,024	874,573
	2/7/2012				11,991	476,163	23,982	952,325
	4/25/2011	21,005 ⁽⁵⁾	37.4500	4/25/2021	24,700	980,837		
W.G. Lehmkuhl	2/11/2013				14,063	558,442	28,126	1,116,883
	2/7/2012				12,963	514,761	25,926	1,029,521
	9/20/2011	2,347	2,274 ⁽⁵⁾	25.1300	9/20/2021	1,592	63,218	
	2/7/2011		4,819	31.8900	2/7/2021	5,646	224,203	
	1/28/2008	6,052		44.0900	1/28/2018			
	1/29/2007	6,500		46.6500	1/29/2017			
	1/22/2006	3,000		55.2000	1/22/2016			
	10/17/2005	8,000		51.7200	10/17/2015			
1/24/2005	4,300		46.0200	1/24/2015				

(1) Unless otherwise noted, options vest in three equal annual installments beginning January 1 following the date of grant.

(2) Restricted stock units vest three years from the date of grant.

(3) Calculated based on the closing price on December 31, 2013 (\$39.71 per share).

(4) Shares shown in this column reflect the maximum number of performance shares that may be earned under the PSPU program.

(5) Options vest in three equal annual installments beginning one year from the date of grant.

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The following table sets forth certain information about the value of options exercised and restricted stock units vested during 2013:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$) ⁽¹⁾	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) ⁽²⁾
D.W. Stotlar	63,500	1,357,135	28,840	990,366
S.L. Bruffett	30,000	664,346	12,341	423,790
R.L. Bianco, Jr.	132,887	2,194,883	11,945	410,191
S.K. Krull	42,006	307,064		
W.G. Lehmkuhl	38,086	500,113	6,485	222,695

(1) The aggregate dollar amount realized upon the exercise of stock options is calculated based on the difference between the closing price on the date of exercise less the exercise price.

(2) The aggregate dollar amount realized upon the vesting of restricted stock units is calculated based on the closing price on the date of vesting.

2013 PENSION BENEFITS

Name	Plan Name	Number of Years Credited Service (#) ⁽¹⁾	Present Value of Accumulated Benefit (\$) ⁽²⁾	Payments During Last Fiscal Year (\$) ⁽³⁾
D.W. Stotlar	Con-way Pension Plan	21.0000	944,745	
	Supplemental Excess Retirement Plans	21.0000	3,034,136	
S.L. Bruffett	Con-way Pension Plan			
	Supplemental Excess Retirement Plans			
R.L. Bianco, Jr.	Con-way Pension Plan	17.0833	536,184	
	Supplemental Excess Retirement Plans	17.0833	782,504	
S.K. Krull	Con-way Pension Plan			
	Supplemental Excess Retirement Plans			
W. G. Lehmkuhl	Con-way Pension Plan	6.0000	108,729	
	Supplemental Excess Retirement Plans	6.0000	41,876	

(1) Years of credited service are through December 31, 2006. Effective January 1, 2007, credited service ceased to accrue for all participants under the Con-way Pension Plan and the Con-way Supplemental Excess Retirement

Plans. Messrs. Bruffett and Krull, who joined the Company after the Pension Plan was closed to new entrants, do not participate in the plans.

Actuarial present value of accumulated plan benefit is based on compensation through April 30, 2009 and computed as of December 31, 2013. Assumptions include retirement at earliest retirement age with an unreduced (2) benefit, FAS disclosure rate of 5.05%, and the current RP 2000 mortality table. Earliest retirement ages at which the NEOs are entitled to receive an unreduced benefit are as follows: age 55 for Mr. Stotlar, age 55 and 2 months for Mr. Bianco, and age 56 and 7 months for Mr. Lehmkuhl.

(3) Plan participants are not entitled to receive benefit payments while still employed by the Company.

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The Company maintains the following qualified and non-qualified pension plans:

the Con-way Pension Plan (the Pension Plan), a tax-qualified defined benefit pension plan; and the Con-way Inc. Supplemental Excess Retirement Plan and the Con-way Inc. 2005 Supplemental Excess Retirement Plan, each a nonqualified excess benefit plan.

Monthly retirement benefits under the Pension Plan are calculated by multiplying years of credited service by an amount equal to:

1.1% of the average final monthly compensation plus
0.3% of the average final monthly compensation in excess of Covered Compensation.

In addition, after an employee has completed 35 years of service, benefits for additional credited service earned are calculated based on 1.4% of the average final monthly compensation.

Covered Compensation is the average of the taxable wage base under Section 230 of the Social Security Act for each of the 35 years ending with the earlier of 2009 or the year in which the participant attains Social Security retirement age.

Credited service only takes into account years and months of credited service earned through December 31, 2006, which is when the Pension Plan was closed to new entrants. Average final monthly compensation only takes into account eligible compensation paid through April 30, 2009.

The monthly retirement benefit, determined using the formula above, is paid as a life annuity for the life of the participant with full monthly payments continued to a designated beneficiary for the remainder of the first 60 monthly payments if the participant dies before 60 monthly payments have been made. Participants may choose other forms of payment, but, regardless of the form chosen, the value of the retirement benefit is the actuarial equivalent of the form of payment described in the preceding sentence.

Employees who were plan participants as of December 31, 1989 have their pension benefits calculated using the greater of the current pension formula shown above or the formula that was in effect as of December 31, 1989. This prior pension formula applies to Mr. Stotlar.

The age 65 monthly benefit determined under the prior pension formula equals 2% of average final monthly compensation for credited service through December 31, 1987 plus 1.5% of average final monthly compensation for credited service after January 1, 1988 through December 31, 2006. This amount is then reduced by a Social Security offset (which takes into account the participant's Social Security benefit and years of Social Security participation) and is further reduced if upon eligibility for diversification from the Common Stock Fund or upon termination of the Common Stock Fund, the participant did not elect to transfer his or her Common Stock Fund shares to the Pension Plan.

Plan participants who meet certain eligibility criteria may elect to retire and/or begin receiving benefits prior to age 65. The Pension Plan provides early retirement subsidies to plan participants under certain circumstances. For example, participants who 1) have combined age and years of service that equals or exceeds 85 or 2) have reached age 62 and have at least 20 years of service are eligible to retire early with an unreduced retirement benefit.

Federal tax law limits the benefits available under defined benefit pension plans such as the Con-way Pension Plan. In addition, benefits do not accrue under the Pension Plan on compensation deferred under the Company's deferred compensation plan. All participants in the Con-way Pension Plan as of December 31, 2006 who are affected by the federal tax law limits described above also participate in the supplemental retirement plans, which allow the

participants to receive benefits in excess of the federal tax

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law limits for tax-qualified defined benefit pension plans. Under those plans, a participant is entitled to receive retirement benefits determined in accordance with the Pension Plan benefits formula described above, offset by all benefits that the participant is entitled to receive under the Pension Plan (which reflect the federal tax law limits).

2013 NONQUALIFIED DEFERRED COMPENSATION

Name	Executive Contributions in 2013 (\$) ⁽¹⁾	Registrant Contributions in 2013 (\$) ⁽²⁾	Aggregate Earnings in 2013 (\$) ⁽³⁾	Aggregate Withdrawals/Distributions (\$) ⁽⁴⁾	Aggregate Balance at December 31, 2013 (\$) ⁽⁵⁾
D.W. Stotlar					
Deferred Compensation Plan			206,526		1,255,243
Supplemental Retirement Savings Plan		107,591	69,284		569,898
S.L. Bruffett					
Deferred Compensation Plan					
Supplemental Retirement Savings Plan		15,527	10,701		66,100
R.L. Bianco, Jr.					
Deferred Compensation Plan			62,553	(57,493)	444,394
Supplemental Retirement Savings Plan		27,956	51,338		269,836
S.K. Krull					
Deferred Compensation Plan					
Supplemental Retirement Savings Plan		8,727	855		9,581
W.G. Lehmkuhl					
Deferred Compensation Plan	116,391		73,948	(62,302)	422,349
Supplemental Retirement Savings Plan		18,886	12,600		72,207

(1) Amounts shown in this column for Mr. Lehmkuhl reflect the portions of his 2013 salary and his 2012 incentive compensation award that were deferred in 2013.

(2) The amounts shown in this column are credits to the non-qualified Supplemental Retirement Savings Plan (SRSP) which provides company contributions in excess of those that can be made to the qualified 401(k) plan due to IRS limits on compensation. Amounts shown include the fourth quarter 2013 company contribution posted to accounts on January 8, 2014. Further information about the SRSP is provided below.

(3) Amounts shown for the Deferred Compensation Plan reflect a combination of the change in value of Phantom Stock Units (PSUs), dividend equivalents on PSUs, and amounts credited to the non-PSU portion of deferred compensation account balances based on the increase or decrease in value of investment funds selected by the executives or at the Bank of America prime rate as of the first day of each quarter (the rate for each of the four quarters was 3.25%).

Amounts shown for the SRSP are based on the increase or decrease in value of investment funds selected by the NEO from a list of mutual funds.

(4) Amounts shown in this column reflect 2008 deferrals for Messrs. Bianco and Lehmkuhl for which they had elected a 2013 pre-retirement distribution at the time of deferral.

(5) Deferred Compensation Plan balance for Mr. Stotlar includes 14,530.999 PSUs valued at \$39.71, the closing price of the Company's common stock on December 31, 2013. Deferred Compensation Plan balances shown include \$162,391 in total deferrals that have been reported as compensation in the current Summary Compensation Table

for Mr. Lehmkuhl. SRSP balances shown include \$214,606, \$38,155, \$89,343, \$8,727, and \$31,112 in total Registrant Contributions that have been reported as compensation in the current Summary Compensation Table for Messrs. Stotlar, Bruffett, Bianco, Krull, and Lehmkuhl, respectively.

Deferred Compensation Plans

The Company maintains a deferred compensation program for eligible highly compensated employees. Only employees at the director level (i.e., the employee grade level below vice president level) and above with annual base salaries of at least \$125,000 are eligible to participate. Each year, the CEO approves the list of employees who meet the eligibility criteria.

A participant in the Company's deferred compensation program may elect to defer base salary and/or annual performance bonus. For each type of compensation deferred, the participant cannot elect to defer less than \$2,000 or more than 85%. The Company does not contribute to the deferred compensation plan on behalf of participants.

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Deferred compensation account balances for years prior to 2007 are credited with returns based on the Bank of America Prime Rate, unless the participant elects (i) to have some or all of the account balances fluctuate based on the performance of one or more investment funds selected by the participant from a specified group of available funds, or (ii) to convert some or all of the account balances into phantom stock units as described below. The Bank of America prime rate is adjusted quarterly. The Compensation Committee in its discretion may select a fixed rate of return other than the Bank of America prime rate to apply to pre-2007 balances in the future.

For deferrals made for plan years after 2006, participants must select one or more funds from a specified group of available funds. Each participant's account balance for that plan year (excluding any portion converted into phantom stock units) will fluctuate based on the performance of the funds selected by the participant. A participant may change from one investment fund to another at any time.

Once each year, participants may elect to convert all or a part of their deferred compensation account balances into phantom stock units. Elections made to convert into phantom stock units are irrevocable, so executives maintain their investments in the phantom stock units until they leave the Company at retirement or upon termination of employment. These elections are made in January with the actual conversion taking place on February 15. However, if the Company's General Counsel determines that the blackout period for trading in Company securities is in effect on February 15, then the elections are null and void. Each participant who makes the election is credited with a number of phantom stock units determined by dividing the amount converted by the closing price of the Company's common stock on February 14. All phantom stock units are credited with a return based on the performance of the Company's common stock, including dividends paid on the common stock.

A participant may elect to defer compensation for a specified period of time (but not less than 5 years) or until retirement. A participant who defers compensation until retirement may elect to receive his or her account balance in a lump sum at retirement or in quarterly installments over a period of 5 or 10 years. A participant may also elect between a lump sum and installments if the participant's employment is terminated before retirement. However, regardless of any such election, if a participant's employment is terminated within one year after a change in control, the account balance is paid to the participant in a lump sum.

Con-way Supplemental Retirement Savings Plan

Federal tax law limits the benefits available under 401(k) plans such as the Con-way Retirement Savings Plan (RSP) and the Con-way Personal Savings Plan (PSP). The Con-way Supplemental Retirement Savings Plan (SRSP) allows the Company to make basic, transition and matching contributions that cannot be made to the tax-qualified RSP or PSP due to these tax law limits.

All participants in the RSP and PSP who are subject to these tax law limits or are eligible and have elected to defer compensation are automatically enrolled in the SRSP. Plan participants select one or more funds from a specified group of available funds. Each participant's notional account balance for that plan year will fluctuate based on the performance of the funds selected by the participant.

The Con-way deferred compensation program and the SRSP are not funded plans. However, the Company has contributed assets to a grantor trust intended to cover the Company's liabilities under the plans. Assets placed in the grantor trust are subject to the claims of general creditors of the Company.

A participant may elect to receive his or her SRSP account balance in a lump sum upon retirement or in quarterly installments over a period of 5 or 10 years following retirement. A participant may also elect between a lump sum and

installments if the participant's employment is terminated before retirement. However, regardless of any such election, if a participant's employment is terminated within one year after a change in control, the account balance is paid to the participant in a lump sum.

TABLE OF CONTENTS**OTHER POTENTIAL POST-EMPLOYMENT PAYMENTS**

With respect to post-employment compensation that our NEOs are entitled to receive, the table below outlines the primary non-change-in-control and change-in-control severance benefits available to each of our NEOs.

Name	Cash	Outplacement	Equity	Benefits	Payout Trigger	Excise Tax Treatment
D.W. Stotlar						
Change in Control	3x (Current Base Salary + Target Bonus)	Up to \$90,000	Full Acceleration	36 months Medical/Life	Termination w/i 24 months	Modified Economic Cutback
Non-CIC	2x (Current Base Salary + Prior Year Target Bonus)	Up to \$90,000	Partial Acceleration ⁽¹⁾	24 months Medical	Involuntary termination w/o cause	N/A
S.L. Bruffett						
Change in Control	2x (Current Base Salary + Target Bonus)	Up to \$25,000	Full Acceleration	24 months Medical/Life	Termination w/i 24 months	Modified Economic Cutback
Non-CIC	1.5x (Current Base Salary + Prior Year Target Bonus)	Up to \$25,000	Partial Acceleration ⁽¹⁾	18 months Medical	Involuntary termination w/o cause	N/A
R.L. Bianco, Jr.						
Change in Control	3x (Current Base Salary + Target Bonus)	Up to \$25,000	Full Acceleration	36 months Medical/Life	Termination w/i 24 months	Modified Economic Cutback
Non-CIC	1.5x (Current Base Salary + Prior Year Target Bonus)	Up to \$25,000	Partial Acceleration ⁽¹⁾	18 months Medical	Involuntary termination w/o cause	N/A
S.K. Krull						
Change in Control	2x (Current Base Salary + Target Bonus)	Up to \$25,000	Full Acceleration	24 months Medical/Life	Termination w/i 24 months	Modified Economic Cutback
Non-CIC	1.5x (Current Base Salary + Prior Year Target Bonus)	Up to \$25,000	Partial Acceleration ⁽¹⁾	18 months Medical	Involuntary termination w/o cause	N/A
W.G. Lehmkuhl						
Change in Control	2x (Current Base Salary + Target Bonus)	Up to \$25,000	Full Acceleration	24 months Medical/Life	Termination w/i 24 months	Modified Economic Cutback

Non-CIC	1.5x (Current Base Salary + Prior Year Target Bonus)	Up to \$25,000	Partial Acceleration ⁽¹⁾	18 months Medical	Involuntary termination w/o cause	N/A
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Partial acceleration for awards of stock options or stock appreciation rights that are scheduled to vest in installments means that all unvested options and stock appreciation rights that are scheduled to vest on or before the date that is 24 months (for Mr. Stotlar) or 18 months (for all other NEOs) after such NEO's severance date (1) would be accelerated. Partial acceleration for time-based restricted stock and restricted stock unit awards means that a portion of the unvested award determined by dividing a specified number of months (24 months for Mr. Stotlar or 18 months for all other NEOs) by the number of months in the vesting period, which is 36 months, would be accelerated.

The non-change-in-control severance agreements provide for early vesting of a portion of the NEO's outstanding long-term incentive awards (other than performance share plan units, which do not have accelerated vesting upon a non-change-in-control severance) upon a qualifying non-change-in-control termination, which is defined in the severance agreements.

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In general, under the change-in-control severance agreements, a change in control occurs if:

- 25% of the Company's voting securities are acquired by an outsider;
- Members of the Board serving as of June 1, 2013 cease to constitute a majority of directors;
- The Company merges with or is consolidated into another company; or

The Company is liquidated or there is a disposition of all or substantially all of the Company's assets.

A change in control also occurs if the Company disposes of a business unit, but only as to executives employed by that business unit (unless the transaction also constitutes a sale of substantially all of the Company's assets, in which case it is a change in control as to all executives). Each of the change in control events described above is subject to various qualifications, exceptions and limitations contained in the individual severance agreements of the NEOs and the severance agreements require the NEOs to comply with restrictive covenants with respect to confidentiality, non-solicitation and non-disparagement and to execute a written release of claims.

The Company does not provide a tax gross-up for excise taxes payable pursuant to Code Section 280G, with each NEO bearing responsibility for paying any such taxes that might apply.

For the NEOs to be entitled to receive change-in-control severance benefits there must occur both a change in control and a qualifying termination of employment, a so-called "double trigger." The termination must occur within two years after the change in control, and can be actual or constructive. A constructive termination occurs if the executive terminates his or her employment for "good reason." "Good reason" is defined in the severance agreements and generally includes the occurrence of (i) a material reduction in the authority, duties or responsibilities of an NEO, (ii) a specified reduction in base salary, cash bonus opportunity or long-term incentive opportunity, (iii) a relocation of principal place of employment by a specified distance, (iv) a substantial increase in business travel obligations or (v) a failure to pay the NEO's current compensation. The long-term incentive awards granted to the NEOs are subject to early vesting in the event of a change in control if there is a qualifying termination of employment.

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The table below shows the estimated payments that each of our NEOs would have been entitled to receive had such executive's employment been terminated as of December 31, 2013 (i) as a result of a severance qualifying termination in connection with a change in control and (ii) upon an involuntary termination of employment other than for cause and other than in connection with a change in control.

Name	Cash	Outplacement	Equity ⁽¹⁾	Benefits	AD&D	Total Potential ⁽¹⁾	Excise Tax Result ⁽²⁾
D.W. Stotlar	\$5,366,439	\$90,000	\$7,188,119	\$43,528	\$184,395	\$12,872,482	Exceeds Limit; Payment Capped at \$10,692,621
Change in Control							
Non-CIC	\$3,577,626	\$90,000	\$2,916,779	\$29,019	\$0	\$6,613,424	N/A
S.L. Bruffett	\$1,530,027	\$25,000	\$2,850,434	\$19,352	\$84,042	\$4,508,855	Exceeds Limit; Payment Capped at \$4,409,811
Change in Control							
Non-CIC	\$1,147,520	\$25,000	\$898,529	\$14,514	\$0	\$2,085,563	N/A
R.L. Bianco, Jr.	\$2,193,204	\$25,000	\$2,702,070	\$42,999	\$55,620	\$5,018,893	Full Payment Allowed
Change in Control							
Non-CIC	\$1,096,602	\$25,000	\$868,480	\$21,500	\$0	\$2,011,582	N/A
S.K. Krull	\$1,360,122	\$25,000	\$2,855,207	\$28,666	\$2,588	\$4,271,583	Exceeds Limit; Payment Capped at \$3,804,724
Change in Control							
Non-CIC	\$1,020,092	\$25,000	\$994,614	\$21,500	\$0	\$2,061,206	N/A
W.G. Lehmkuhl	\$1,523,300	\$25,000	\$2,504,665	\$21,694	\$58,680	\$4,133,340	Full Payment Allowed
Change in Control							
Non-CIC	\$1,142,475	\$25,000	\$751,151	\$16,271	\$0	\$1,934,897	N/A

Reflects the value of accelerated equity calculated using the closing price of our common stock on December 31, 2013 (\$39.71). In the case of stock option awards, the equity value was determined by multiplying (i) the difference between the exercise price and closing stock price of \$39.71 per share on December 31, 2013 and (ii) the number of unvested option shares that would vest following a qualifying termination of employment.

(2)

Payments are reduced to the minimum extent necessary so that no portion of the payment is subject to excise taxes, as determined in accordance with Code Sections 280G and 4999. When determining the final payment amount, payments are reduced in the following order: underwater stock options, cash payments not subject to Code Section 409A, benefit continuation payments, cash payments subject to Code Section 409A, performance-based shares, time-based shares and in-the-money stock options.

Retirement, Death or Disability

The three NEOs who participate in the Company's defined benefit pension plan (Messrs. Stotlar, Bianco and Lehmkuhl) are eligible to retire and begin receiving benefits under the plan at any time after reaching age 55 with at least 10 years of service; however, as of December 31, 2013, none of these NEOs had reached age 55. If any NEO serving on December 31, 2013 had died or become disabled on December 31, 2013, all of his unvested awards shown in the Outstanding Equity Awards at 2013 Fiscal Year-End table would have vested and his death or disability benefits (as applicable) would have become payable. Death benefits are in the form of proceeds of Company-paid life insurance, and disability benefits are in the form of benefits under the Company's disability programs.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires our directors and executive officers, and any beneficial owner of more than 10% of the Company's common stock, to file reports of their ownership, and changes in ownership, of our common stock with the SEC. The Company undertakes to file such reports on behalf of our current reporting directors and executive officers.

Based upon examination of the copies of such reports and the written representations of our directors and executive officers, the Company believes that its directors and executive officers and beneficial owners of more than 10% of the Company's common stock have complied with all filing requirements under Section 16(a) of the Exchange Act during 2013.

CONFIDENTIAL VOTING

Under the confidential voting policy adopted by the Board of Directors, all proxies, ballots, and voting materials that identify the votes of specific shareholders will be kept confidential from the Company except as may be required by law or to assist in the pursuit or defense of claims or judicial actions and except in the event of a contested proxy solicitation. In addition, comments written on proxies, ballots, or other voting materials, together with the name and address of the commenting shareholder, will be made available to the Company without reference to the vote of the shareholder, except where such vote is included in the comment or disclosure is necessary to understand the comment. Certain vote tabulation information may also be made available to the Company, provided that the Company is unable to determine how any particular shareholder voted.

Access to proxies, ballots, and other shareholder voting records will be limited to inspectors of election who are not employees of the Company and to certain Company employees and agents engaged in the receipt, count, and tabulation of proxies.

SUBMISSION OF SHAREHOLDER PROPOSALS

Shareholder proposals intended to be presented at the 2015 Annual Meeting of Shareholders must be received by the Company no later than December 2, 2014, to be considered for inclusion in the Company's proxy materials, pursuant to Rule 14a-8 under the Exchange Act.

The Company's Bylaws require that any proposal (including any director nomination) intended to be presented directly at the 2015 Annual Meeting, and not submitted for inclusion in the Company's proxy materials as described above, must be submitted in accordance with the requirements of the Bylaws no earlier than December 15, 2014 and no later than January 13, 2015.

All proposals or nominations by shareholders must be addressed to the Corporate Secretary, Con-way Inc., 2211 Old Earhart Road, Suite 100, Ann Arbor, Michigan 48105.

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HOUSEHOLDING INFORMATION

SEC rules permit us to deliver a single Notice or set of Annual Meeting materials to one address shared by two or more of our shareholders. This delivery method is referred to as "householding" and can result in significant cost savings to the Company. To take advantage of this opportunity, we have in some instances delivered or caused to be delivered only one Notice or set of Annual Meeting materials to multiple shareholders who share an address, unless we received contrary instructions from the impacted shareholders prior to the mailing date. We agree to deliver promptly, upon written or oral request, a separate copy of the Notice or Annual Meeting materials, as requested, to any shareholders at the shared address to which a single copy of those documents was delivered. If you prefer to receive separate copies of the Notice or Annual Meeting materials, contact Broadridge Financial Solutions, Inc. at 1-800-542-1061 or in writing at Broadridge, Householding Department, 51 Mercedes Way, Edgewood, New York 11717.

OTHER MATTERS

The Company will furnish to interested shareholders, free of charge, a copy of its 2013 Annual Report on Form 10-K filed with the SEC. The report will be available for mailing after April 15, 2014. Please direct your written request to the Corporate Secretary, Con-way Inc., 2211 Old Earhart Road, Suite 100, Ann Arbor, Michigan 48105.

Your Board knows of no other matters to be presented at the meeting. If any other matters come before the meeting, it is the intention of the proxy holders to vote on such matters in accordance with their best judgment.

The expense of proxy solicitation will be borne by the Company. The solicitation is being made by mail and may also be made by telephone, Internet, facsimile, or personally by directors, officers, and regular employees of the Company who will receive no extra compensation for their services. In addition, the Company has engaged the services of Innisfree M&A Incorporated, New York, New York, to assist in the solicitation of proxies for a fee of \$12,500, plus expenses. The Company will reimburse banks, brokerage firms and other custodians, nominees, and fiduciaries for reasonable expenses incurred by them in sending proxy material to beneficial owners of the Company's voting stock.

BY ORDER OF THE BOARD OF DIRECTORS

STEPHEN K. KRULL
Secretary

March 31, 2014

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APPENDIX A

Proposal 3 Amendments to Bylaws (as excerpted)

ARTICLE II

STOCKHOLDERS MEETINGS

SECTION 3. *Special Meetings.* Special Meetings.

(a) General. Special meetings of the stockholders of the Corporation may be called, for any purpose or purposes, by the Chief Executive Officer or the Board of Directors at any time. Upon written request of any stockholder or stockholders holding in the an aggregate a majority of the voting power of all stockholders net long position of at least twenty-five percent (25%) of the outstanding shares of capital stock of the Corporation entitled to vote at such meeting and having held such net long position continuously for at least one year as of the date of such request (the Requisite Percentage), the Secretary shall call a special meeting of stockholders to be held not less than thirty (30) and not more than ninety (90) days after the receipt of the request, on such date and at such time and place as may be designated by the Board of Directors. If the Secretary, within forty-five (45) days following receipt of the request, shall neglect or refuse to call the meeting (each such request, a Stockholder Special Meeting Request and such meeting, a Stockholder Requested Special Meeting). Net long position shall be determined with respect to each requesting holder in accordance with the definition thereof set forth in Rule 14e-4 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (as so amended and inclusive of such rules and regulations, the Exchange Act), provided that: (i) for purposes of such definition, (A) in determining such holder's short position, the reference in Rule 14e-4 to the date that a tender offer is first publicly announced or otherwise made known by the bidder to holders of the security to be acquired shall be the date of the relevant Stockholder Special Meeting Request and all dates in the one-year period prior thereto, (B) the reference to the highest tender offer price or stated amount of the consideration offered for the subject security shall refer to the closing sales price of the Corporation's common stock on the New York Stock Exchange on such corresponding date (or, if such date is not a trading day, the next succeeding trading day), (C) the person whose securities are the subject of the offer shall refer to the Corporation, and (D) subject security shall refer to the outstanding capital stock, and (ii) the net long position of such holder shall be reduced by the number of shares as to which such holder does not, or will not, have the right to vote or direct the vote at the Stockholder Requested Special Meeting or as to which such holder has entered into any derivative or other agreement, arrangement or understanding that hedges or transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of such shares. Whether the requesting holders have complied with the requirements of this Section and related provisions of the preceding sentence, the stockholder or Bylaws shall be determined in good faith by the Board, which determination shall be conclusive and binding on the Corporation and the stockholders making of the request may do so Corporation.

(b) Stockholder Requested Special Meetings. In order for a Stockholder Requested Special Meeting to be called, one or more Stockholder Special Meeting Requests must be signed by the Requisite Percentage of record holders (or their duly authorized agents) and must be delivered to the Secretary. The Stockholder Special Meeting Request(s) shall be delivered to the Secretary at the principal executive offices of the Corporation by registered mail, return receipt requested. Each Stockholder Special Meeting Request shall (i) set forth a statement of the specific purpose(s) of the meeting and the matters proposed to be acted on at it, (ii) bear the date of signature of each such stockholder (or duly authorized agent) signing the Stockholder Special Meeting Request, (iii) set forth (A) the name and address, as they appear in the Corporation's stock ledger, of each stockholder signing such request (or on whose behalf

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the Stockholder Special Meeting Request is signed), (B) the class or series, if applicable, and the number of shares of common stock of the Corporation that are owned of record and beneficially by each such stockholder as to which such stockholder has a net long position, (C) include documentary evidence of the fact and duration of each such stockholder's record and beneficial ownership of such stock and (D) contain any other information, description or representation that would be required to be provided by a stockholder seeking to bring an item of business before an annual meeting of stockholders pursuant to Article II, Section 2 of these Bylaws, (iv) set forth all information relating to each such stockholder that must be disclosed in solicitations of proxies for election of directors in an election contest (even if an election contest is not involved) or is otherwise required, in each case, pursuant to Regulation 14A under the Exchange Act, (v) if the purpose of the Stockholder Requested Special Meeting includes the election of one or more directors, contain the information required by Article III, Section 11 of these Bylaws, and (vi) include an acknowledgment by each stockholder (and any duly authorized agent) that any disposition of shares of common stock of the Corporation as to which such stockholder has a net long position as of the date of delivery of the Stockholder Special Meeting Request and prior to the Stockholder Requested Special Meeting shall constitute a revocation of such Stockholder Special Meeting Request by such stockholder or beneficial owner with respect to such shares. If the requesting stockholders are not the beneficial owners of the shares constituting all or part of the Requisite Percentage, then to be valid, the Stockholder Special Meeting Request must also include an agreement by each of the stockholders requesting the special meeting and each beneficial owner, if any, on whose behalf the Stockholder Special Meeting Request is being made to notify the Corporation promptly in the event of any decrease in the net long position held by such stockholder or beneficial owner following the delivery of the Stockholder Special Meeting Request and prior to the Stockholder Requested Special Meeting. In addition, the stockholder (and any duly authorized agent) shall promptly provide any other information reasonably requested by the Corporation to allow it to satisfy its obligations under applicable law. Any requesting stockholder may revoke his, her or its request for a special meeting at any time by written revocation delivered to the Secretary at the principal executive offices of the Corporation. If, at any time following the Delivery Date (as defined below), there are unrevoked requests from stockholders holding in the aggregate less than the Requisite Percentage, the Board of Directors, in its discretion, may cancel the special meeting.

(c) Calling of a Special Meeting. Notwithstanding the foregoing, the Secretary shall not be required to call a special meeting of stockholders if (i) the Board of Directors has called or calls an annual or special meeting of stockholders to be held not later than sixty (60) days after the date on which a valid Stockholder Special Meeting Request has been delivered to the Secretary (the Delivery Date), or (ii) the Stockholder Special Meeting Request (A) is received by the Secretary during the period commencing ninety (90) days prior to the first anniversary of the date of the immediately preceding annual meeting and ending on the date of the next annual meeting, (B) contains an identical or substantially similar item (a Similar Item) to an item that was presented at any meeting of stockholders held within one hundred and twenty (120) days prior to the Delivery Date (and, for purposes of this clause (B) the election of directors shall be deemed a Similar Item with respect to all items of business involving the election or removal of directors), (C) relates to an item of business that is not a proper subject for action by the party requesting the special meeting under applicable law, (D) was made in a manner that involved a violation of Regulation 14A under the Exchange Act or other applicable law or would cause the Corporation to violate any law, or (E) does not comply with the provisions of this Section 3.

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(d) Holding a Special Meeting. Except as provided in the next sentence, any special meeting shall be held at such date and time as may be fixed by the Board of Directors in accordance with these Bylaws and the General Corporation Law of the State of Delaware. In the case of a Stockholder Requested Special Meeting, such meeting shall be held at such date and time as may be fixed by the Board of Directors; provided, however, that the date of any Stockholder Requested Special Meeting shall be not more than sixty (60) days after the record date for such meeting (the Meeting Record Date), which shall be fixed in accordance with Article V, Section 4 of these Bylaws; provided further, that if the Board of Directors fails to designate, within ten (10) days after the Delivery Date, a date and time for a Stockholder Requested Special Meeting, then such meeting shall be held at 9:00 a.m. local time on the 60th day after the Meeting Record Date (or, if that day shall not be a business day, then on the next preceding business day); provided further, that in the event that the Board of Directors fails to designate a place for a Stockholder Requested Special Meeting within ten (10) days after the Delivery Date, then such meeting shall be held at the Corporation's principal executive offices. In fixing a date and time for any Stockholder Requested Special Meeting, the Board of Directors may consider such factors as it deems relevant within the good faith exercise of business judgment, including, without limitation, the nature of the matters to be considered, the facts and circumstances surrounding any request for meeting and any plan of the Board of Directors to call an annual meeting or a special meeting.

(e) Business Transacted at a Special Meeting. Business to be transacted at a special meeting may only be brought before the meeting pursuant to the Corporation's notice of meeting. Business transacted at any Stockholder Requested Special Meeting shall be limited to the purpose(s) stated in the Stockholder Special Meeting Request(s), and requesting stockholders seeking to nominate persons for election to the Board of Directors at a proposed Stockholder Requested Meeting must comply with Article III, Section 11 of these Bylaws; provided, however, that nothing herein shall prohibit the Board of Directors from submitting matters to the stockholders at any Stockholder Requested Special Meeting. The Board of Directors may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board of Directors. If none of the stockholders who submitted a Stockholder Special Meeting Request appears or sends a qualified representative to present the item of business submitted by the stockholders for consideration at the Stockholder Requested Special Meeting, such item of business shall not be submitted for vote of the stockholders at such Stockholder Requested Special Meeting, notwithstanding that proxies in respect of such vote may have been received by the Corporation or such stockholder(s).

(f) Other Considerations. In determining whether a special meeting of stockholders has been requested by the record holders of shares with net long position of at least the same amount of securities owned by such record holders for at least one year as of the date of such request and representing the Requisite Percentage as of the date of such written request to the Secretary, multiple Stockholder Special Meeting Requests delivered to the Secretary will be considered together only if (i) each such request identifies substantially the same purpose or purposes of the proposed special meeting and substantially the same matter proposed to be acted on at the proposed special meeting, and (ii) each such request has been dated and delivered to the Secretary within sixty (60) days of the earliest dated Stockholder Special Meeting Request.

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