

SERVICE CORPORATION INTERNATIONAL  
Form DEF 14A  
March 28, 2013

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

SCHEDULE 14A

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

Filed by the Registrant R  
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Check the appropriate box:

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Service Corporation International  
(Name of Registrant as Specified In Its Charter)

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Service Corporation International

Proxy Statement and 2013 Annual Meeting Notice

2013 Annual Meeting

Date: Wednesday, May 8, 2013

Time: 9:00 a.m. Houston time

Place: Conference Center, Heritage I and II

Service Corporation International

1929 Allen Parkway

Houston, Texas 77019

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Service Corporation International  
1929 Allen Parkway, P.O. Box 130548  
Houston, Texas 77219-0548 March 28, 2013

Dear Shareholder,

As an owner of shares of Service Corporation International, please accept my invitation to attend the Company's Annual Meeting of Shareholders. It is scheduled for Wednesday, May 8, 2013, at 9:00 a.m. Houston time in the Conference Center, Heritage I and II, Service Corporation International, 1929 Allen Parkway, Houston, Texas. On behalf of the Board of Directors and all associates of the Company, we appreciate your continuing support. I look forward to greeting in person all shareholders who are able to join us at our Annual Meeting.

Sincerely,

R. L. Waltrip  
Chairman of the Board

Service Corporation International  
1929 Allen Parkway, P.O. Box 130548  
Houston, Texas 77219-0548

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

May 8, 2013

To Our Shareholders:

The Annual Meeting of Shareholders of Service Corporation International (“SCI” or the “Company”) will be held in the Conference Center, Heritage I and II, Service Corporation International, 1929 Allen Parkway, Houston, Texas at 9:00 a.m. Houston time on May 8, 2013 for the following purposes:

1. To elect three nominees to the Board of Directors (the “Board”).
2. To approve the appointment of PricewaterhouseCoopers LLP as SCI's independent registered public accounting firm for the 2013 fiscal year.
3. To approve, on an advisory basis, the named executive officer compensation.

The Company will also transact such other business that may properly come before the meeting. Only shareholders of record at the close of business on March 12, 2013 are entitled to notice of and to vote at the Annual Meeting. A majority of the outstanding shares entitled to vote is required for a quorum.

It is important that your shares are represented at the Annual Meeting regardless of the size of your holdings. Whether or not you expect to attend the Annual Meeting in person, please vote your shares at your earliest convenience in order to ensure a quorum at the meeting. Submitting your proxy now will not prevent you from voting your shares at the Annual Meeting if you desire to do so, as your proxy is revocable at your option.

By Order of the Board of Directors,

Gregory T. Sangalis  
Senior Vice President, General Counsel and Secretary  
Houston, Texas  
March 28, 2013

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Service Corporation International  
1929 Allen Parkway  
P.O. Box 130548  
Houston, Texas 77219-0548

## PROXY STATEMENT

### Proxy Voting: Questions & Answers

Q: Who is entitled to vote?

A: Shareholders of record who held common stock of SCI at the close of business on March 12, 2013 are entitled to vote at the 2013 Annual Meeting of Shareholders (the "Annual Meeting"). As of the close of business on that date, there were outstanding 211,570,075 shares of SCI common stock, \$1.00 par value ("Common Stock").

Q: What are shareholders being asked to vote on?

A: Shareholders are being asked to vote on the following items at the Annual Meeting:

1. Election of three nominees to the Board of Directors.
2. Approval of PricewaterhouseCoopers LLP as SCI's independent registered public accounting firm for the 2013 fiscal year.
3. Consideration of an advisory vote to approve named executive officer compensation.

The Company will also transact such other business as may properly come before the meeting. The affirmative vote of a majority of the total shares represented in person or by proxy and entitled to vote at the Annual Meeting is required for approval of each of the proposals.

Q: How do I vote my shares?

A: You can vote your shares using one of the following methods:

- ✔ Vote through the internet at [www.proxyvote.com](http://www.proxyvote.com) using the instructions on the proxy or voting instruction card.
- ✔ Vote by telephone using the toll-free number shown on the proxy or voting instruction card.
- ✔ Complete, sign and return a written proxy card in the pre-stamped envelope provided.
- ✔ Attend and vote at the meeting.

Internet and telephone voting are available 24 hours a day, and if you use one of those methods, you do not need to return a proxy card. Unless you are planning to vote at the meeting, your vote must be received on or before May 7, 2013.

Even if you submit your vote by one of the first three methods mentioned above, you may still vote at the meeting if you are the record holder of your shares or hold a legal proxy from the record holder. Your vote at the meeting will constitute a revocation of your earlier voting instructions.

Q: What if I want to vote in person at the Annual Meeting?

A: The Notice of Annual Meeting of Shareholders provides details of the date, time and place of the Annual Meeting, if you wish to vote in person.

Q: How does the Board of Directors recommend voting?

A: The Board of Directors recommends voting:

- FOR each of the three nominees to the Board of Directors. Biographical information for each nominee is outlined in this Proxy Statement under "Election of Directors".

• FOR approval of PricewaterhouseCoopers LLP as SCI's independent registered public accounting firm for the 2013 fiscal year.

• FOR approval, on an advisory basis, of named executive officer compensation.

Although the Board of Directors does not contemplate that any nominee will be unable or unwilling to serve, if such a situation arises, the proxies that do not withhold authority to vote for directors will be voted for a substitute nominee(s) chosen by the Board.

Q: If I give my proxy, how will my stock be voted on other business brought up at the Annual Meeting?

A: By submitting your proxy, you authorize the persons named on the proxy card to use their discretion in voting on any other matters properly brought before the Annual Meeting. At the date hereof, SCI does not know of any other business to be considered at the Annual Meeting.

Q: Why is it important to vote via the internet or telephone, or send in my proxy card so that it is received on or before May 7, 2013?

A: The Company cannot conduct business at the Annual Meeting unless a quorum is present. A quorum will only be present if a majority of the outstanding shares of SCI common stock as of March 8, 2013 is present at the meeting in person or by proxy. It is for this reason that we urge you to vote via the internet or telephone or send in your completed proxy card(s) as soon as possible, so that your shares can be voted even if you cannot attend the meeting.

Q: Can I revoke my proxy once I have given it?

A: Yes. Your proxy, even though executed and returned, may be revoked any time prior to the time that it is voted at the Annual Meeting by a later-dated proxy or by written notice of revocation filed with the Secretary, Gregory T. Sangalis. Alternatively, you can attend the Annual Meeting, revoke your proxy in person, and vote at the meeting itself.

Q: How will the votes be counted?

A: Each properly executed proxy received in time for the Annual Meeting will be voted as specified therein, or if a shareholder does not specify how the shares represented by his or her proxy are to be voted, they will be voted (i) for the nominees listed therein (or for other nominees as provided above), (ii) for approval of the selection of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm, and (iii) for approval on an advisory basis of named executive officer compensation. Holders of SCI common stock are entitled to one vote per share on each matter considered at the Annual Meeting. In the election of directors, a shareholder has the right to vote the number of his or her shares for as many persons as there are to be elected as directors. Shareholders do not have the right to cumulate votes in the election of directors. Abstentions are counted towards the calculation of a quorum. An abstention has the same effect as a vote against a proposal, or in the case of the election of directors, as shares for which voting power has been withheld.

Q: What if my SCI shares are held through a bank or broker?

A: If your shares are held through a broker or bank, you will receive voting instructions from your bank or broker describing how to vote your stock. If you do not vote your shares, your broker or bank does not have the discretion to vote your shares on the proposals, except that they have the discretion to vote your shares for approval of Pricewaterhouse Coopers LLP as SCI's independent registered public accounting firm for the 2013



fiscal year. A “broker non-vote” refers to a proxy that votes on one matter, but indicates that the holder does not have the authority to vote on other matters. Broker non-votes will have the following effects at our Annual Meeting: for purposes of determining whether a quorum is present, a broker non-vote is deemed to be present at the meeting; for purposes of the election of directors and other matters to be voted on at the meeting, a broker non-vote will not be counted.

Q: How does a shareholder or interested party communicate with the Board of Directors, committees or individual directors?

A: Any shareholder or interested party may communicate with the Board of Directors, any committee of the Board, the non-management directors as a group or any director, by sending written communications addressed to the Board of Directors of Service Corporation International, a Board committee, the non-management directors or such individual director or directors, c/o Secretary, Service Corporation International, 1929 Allen Parkway, Houston, TX 77019. All communications will be compiled by the Secretary of the Company and submitted to the Board of Directors (or other addressee) at the next regular Board meeting.

Q: What is the Company's Web address?

A: The SCI home page is [www.sci-corp.com](http://www.sci-corp.com). At the website, the following information is available for viewing. The information below is also available in print to any shareholder who requests it.

• Bylaws of SCI

• Charters of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee

• Corporate Governance Guidelines

• Principles of Conduct and Ethics for the Board of Directors

• Code of Conduct and Ethics for Officers and Employees

Q: How can I obtain a copy of the Annual Report on Form 10-K?

A: A copy of SCI's 2012 Annual Report on Form 10-K is furnished with this proxy statement to each shareholder entitled to vote at the Annual Meeting. If you do not receive a copy of the Annual Report on Form 10-K, you may obtain one free of charge by writing to Investor Relations, P.O. Box 130548, Houston, Texas 77219-0548.

This Proxy Statement, the Notice of Annual Meeting of Shareholders and the enclosed proxy card are furnished to shareholders beginning on or about March 28, 2013.

PROPOSAL 1  
ELECTION OF DIRECTORS

The Board of Directors consists of eleven members and is divided into three classes, each with a staggered term of three years. At this year's Annual Meeting, shareholders will be asked to elect three directors to the Board. These directors will be elected for three-year terms expiring in 2016. Set forth below are profiles for each of the three candidates nominated by the Nominating and Corporate Governance Committee of the Board of Directors for election by shareholders at this year's Annual Meeting. Directors are elected by a majority of votes cast.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" THE FOLLOWING NOMINEES.

Alan R. Buckwalter

Age: 66

Director Since: 2003

Term Expires: 2016

Mr. Buckwalter retired in 2003 as Chairman of J.P. Morgan Chase Bank, South Region after a career of over 30 years in banking that involved management of corporate, commercial, capital markets, international, private banking and retail departments. He served as head of the Banking Division and Leveraged Finance Unit within the Banking and Corporate Finance Group of Chemical Bank and Chairman and CEO of Chase Bank of Texas. Mr. Buckwalter has attended executive management programs at Harvard Business School and the Stanford Executive Program at Stanford University. He is a Board member of the National Association of Corporate Directors (Houston chapter). He is also an avid community volunteer, serving on the Boards of Texas Medical Center and the American Red Cross (Houston chapter). The Board of Directors believes that Mr. Buckwalter should serve as a Director because of his executive, banking, financial and business experience as described above.

SCI Common Shares Beneficially Owned<sup>(1)</sup>: 114,287

Other Directorships in Last Five Years: Plains Exploration and Production Company

Victor L. Lund

Age: 65

Director Since: 2000

Term Expires: 2016

From December 2006 to February 2012, Mr. Lund served as Chairman of the Board of DemandTec, Inc., a software company. From May 2002 to December 2004, Mr. Lund served as Chairman of the Board of Mariner Healthcare, Inc. From 1999 to 2002, he served as Vice Chairman of the Board of Albertsons, Inc. prior to which he had a 22-year career with American Stores Company in various positions, including Chairman of the Board and Chief Executive Officer, Chief Financial Officer and Corporate Controller. Prior to that time, Mr. Lund was a practicing audit CPA for five years, held a CPA license and received the highest score on the CPA exam in the State of Utah in the year that he was licensed. He also holds an MBA and a BA in Accounting. The Board of Directors believes that Mr. Lund should serve as a Director because of his accounting expertise as well as his executive, financial and business experience as described above.

SCI Common Shares Beneficially Owned<sup>(1)</sup>: 153,016

Other Directorships in Last Five Years: Borders Group, Del Monte Foods Company, Delta Airlines, Inc. and Teradata Corporation

(1) Details are provided in the footnotes to the table of director and officer shareholdings listed under “Voting Securities and Principal Holders”.

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John W. Mecom, Jr.

Age: 73

Director Since: 1983

Term Expires: 2016

Mr. Mecom has been involved in the purchase, management and sale of business interests in a variety of industries. He has owned and managed over 500,000 acres of surface and mineral interests throughout the U.S. He has been involved in the purchase, renovation, management and sale of luxury hotels in the U.S., Peru and Mexico. He purchased the New Orleans Saints NFL team in 1967 and sold his interest in 1985. He is currently Chairman of the John W. Mecom Company and principal owner of John Gardiner's Tennis Ranch. The Board of Directors believes that Mr. Mecom should serve as a Director because of his varied executive, investment and business experience as described above.

SCI Common Shares Beneficially Owned<sup>(1)</sup>: 130,199

Other Directorships in Last Five Years: None

<sup>(1)</sup> Details are provided in the footnotes to the tables of director and officer shareholdings listed under "Voting Securities and Principal Holders".

The following are profiles of the other continuing directors currently serving on the Board of SCI:

R. L. Waltrip

Age: 82

Director Since: 1962

Term Expires: 2015

Mr. Waltrip is the founder and Chairman of the Board of SCI. He has provided invaluable leadership to the Company for over 40 years. A licensed funeral director, Mr. Waltrip grew up in his family's funeral business and assumed management of the firm in the 1950s. He began buying additional funeral homes in the 1960s and achieved significant cost efficiencies through the "cluster" strategy of sharing pooled resources among numerous locations. At the end of 2012, the network he began had grown to include more than 1,700 funeral service locations and cemeteries. Mr. Waltrip took SCI public in 1969. Mr. Waltrip holds a bachelor's degree in business administration from the University of Houston. The Board of Directors believes that Mr. Waltrip should serve as a Director because of his extensive knowledge and experience related to the death care industry and the Company as well as his executive and business experience as described above.

SCI Common Shares Beneficially Owned<sup>(1)</sup>: 3,258,223<sup>(2)</sup>

Other Directorships in Last Five Years: None

Thomas L. Ryan

Age: 47

Director Since: 2004

Term Expires: 2014

Mr. Ryan was elected Chief Executive Officer of Service Corporation International in February 2005 and has served as President of SCI since July 2002. Mr. Ryan joined the Company in 1996 and served in a variety of financial management roles until November 2000, when he was asked to serve as Chief Executive Officer of European Operations based in Paris, France. In July 2002, Mr. Ryan returned to the United States where he was appointed President and Chief Operating Officer of SCI. Before joining SCI, Mr. Ryan was a certified public accountant with Coopers & Lybrand LLP for eight years. He holds a bachelor's degree in business administration from the University of Texas at Austin. Mr. Ryan serves as Chairman of the Board of Trustees of the United Way of Greater Houston. Mr. Ryan also serves on the Board of Directors of the Greater Houston Partnership, the Salvation Army Greater Houston Area Advisory Board and the Greater Houston Community Foundation Council. Mr. Ryan also serves on the University of Texas McCombs Business School Advisory Council. The Board of Directors believes that Mr. Ryan should serve as a Director because of his extensive knowledge and experience related to the death care industry and the Company as well as his executive, accounting and business experience as described above.

SCI Common Shares Beneficially Owned <sup>(1)</sup>: 3,652,406<sup>(3)</sup>

Other Directorships in Last Five Years: Texas Industries, Inc. and Weingarten Realty Investors

<sup>(1)</sup> Details are provided in the footnotes to the tables of director and officer shareholdings listed under "Voting Securities and Principal Holders".

<sup>(2)</sup> Includes 1,590,466 shares which may be acquired by Mr. R. L. Waltrip upon exercise of stock options exercisable within 60 days of March 12, 2013.

<sup>(3)</sup> Includes 2,529,066 shares which may be acquired by Mr. Thomas L. Ryan upon exercise of stock options exercisable within 60 days of March 12, 2013.

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Anthony L. Coelho

Age: 70

Director Since: 1991

Term Expires: 2015

Mr. Coelho was a member of the U.S. House of Representatives from 1978 to 1989. After leaving Congress, he joined Wertheim Schroder & Company, an investment banking firm in New York and became President and CEO of Wertheim Schroder Financial Services. From October 1995 to September 1997, he served as Chairman and CEO of an education and training technology company that he established and subsequently sold. He served as general chairman of the presidential campaign of former Vice President Al Gore from April 1999 until June 2000. Since 1997, Mr. Coelho has worked independently as a business and political consultant. Mr. Coelho also served as Chairman of the President's Committee on Employment of People with Disabilities from 1994 to 2001. He previously served as Chairman of the Board of the Epilepsy Foundation. The Board of Directors believes that Mr. Coelho should serve as a Director because of his political acumen and contacts as well as his executive, financial and business experience as described above.

SCI Common Shares Beneficially Owned<sup>(1)</sup>: 50,742

Other Directorships in Last Five Years: Stem Cell Innovation, Inc., Universal Access Global Holdings, Inc. and Warren Resources, Inc.

Malcolm Gillis

Age: 72

Director Since: 2004

Term Expires: 2014