

SERVICE CORPORATION INTERNATIONAL  
Form PRE 14A  
March 19, 2015

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  
Filed by a Party other than the Registrant  £

Check the appropriate box:

R Preliminary Proxy Statement  
 £ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 £ Definitive Proxy Statement  
 £ Definitive Additional Materials  
 £ Soliciting Material Pursuant to §240.14a-12  
Service Corporation International  
(Name of Registrant as Specified In Its Charter)

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

Proxy Statement and 2015 Annual Meeting Notice

2015 Annual Meeting

Date: Wednesday, May 13, 2015

Time: 9:00 a.m. Central 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 April 1, 2015

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 13, 2015, at 9:00 a.m. Central 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 13, 2015

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. Central Time on May 13, 2015 for the following purposes:

1. To elect five 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 2015 fiscal year.
3. To approve, on an advisory basis, the named executive officer compensation.
4. To approve a proposal to declassify the Board of Directors.
5. Consideration of one shareholder proposal, if presented.

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 16, 2015 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  
April 1, 2015

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The Service Corporation International 2015 Proxy Statement Summary

This summary highlights information contained in this Proxy Statement. This summary does not contain all of the information you should consider. Please read the entire Proxy Statement carefully before voting.

<p>2015 Annual Meeting Information</p> <p>Date: Wednesday, May 13, 2015</p> <p>Time: 9:00 a.m., Central Time</p> <p>Location: Conference Center, Heritage I and II, Service Corporation International, 1929 Allen Parkway, Houston, Texas 77019</p> <p>Record Date: March 16, 2015</p> <p>Admission: To attend the Meeting in person, you will need proof of your share ownership and valid picture identification.</p>	<p>Items of Business</p> <p>Proposal</p> <p>1. Election of 5 directors</p> <p>2. Approval of appointment of Pricewaterhouse Coopers LLP, our independent registered public accounting firm, for 2015</p> <p>3. "Say-on-Pay" advisory vote to approve executive compensation</p> <p>4. Proposal to declassify the Board of Directors</p> <p>5. Shareholder proposal regarding a senior executive stock retention requirement</p>	<p>Board Recommendation</p> <p>For</p> <p>For</p> <p>For</p> <p>For</p> <p>Against</p>	<p>Page Number</p> <p>6</p> <p>59</p> <p>60</p> <p>61</p> <p>62</p>
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Fiscal 2014 Highlights

The Company delivered outstanding financial results in 2014, including the following:

- Returned \$313 million to shareholders through a combination of dividends and share repurchases.
- Increased diluted earnings per share from continuing operations excluding special items by 21% to \$1.11<sup>(1)</sup>
- Increased the dividend rate 29% in 2014 in recognition of our financial strength.
- Increased the SCI stock price by 25% to \$22.70 per share at year end.

(1) Diluted earnings per share from continuing operations excluding special items is a non-GAAP financial measure. A reconciliation to diluted earnings per share computed in accordance with GAAP is set forth on Annex A to this Proxy Statement.

Compensation Program Highlights

Compensation Philosophy

Our compensation philosophy as implemented through the Compensation Committee is to align executive compensation with the performance of the Company and the individual.

We pay for performance:

- A significant portion of our 2014 named executive officers' ("NEOs") compensation was performance-based:
- Approximately 82% for our CEO
- Approximately 76% for our other NEOs

We seek to mitigate compensation-related risk through a variety of vehicles:

- Stock ownership and retention guidelines for executive officers
- Annual compensation risk assessment
- Compensation recoupment or claw-back policy applicable to all executive officers
- Anti-hedging and anti-pledging policies applicable to all officers and directors

## The Service Corporation International 2015 Proxy Statement Summary

## Our Corporate Policies Reflect Best Practices:

- Majority voting standard in director elections
- Independent lead director
- 73% of directors and 100% of Audit, Compensation and Nominating and Corporate Governance committee members are independent
- Independent directors meet without management
- Anti-hedging and anti-pledging policies applicable to all officers and directors
- No shareholder rights plan or “poison pill”
- Stock ownership and retention guidelines for directors and executive officers
- Shareholder ability to call special meetings
- Board orientation and education program
- Management succession policy set forth in Corporate Governance Guidelines
- Annual Board and committee self-evaluations

Name	Independent	Qualifications	Board Committee Composition			
			Audit	Compen-sation	Nom. & Corp. Gov.	Invest-ment
Ellen Ochoa	ü	Director, NASA's Johnson Space Center	*			*
R. L. Waltrip		Chairman of the Board, Service Corporation International				
Anthony L. Coelho	ü	Former Majority Whip of the U. S. House of Representatives	ü	ü	ü	
Marcus A. Watts	ü	President, The Friedkin Group	*	*	*	
Edward E. Williams	ü	Professor Emeritus, Rice University, and Doctorate in Finance, Accounting and Economics			ü	ü
					*	*
Continuing Directors						
Thomas L. Ryan		Chief Executive Officer and President, Service Corporation International				
Alan R. Buckwalter	ü	Former Chairman of J.P. Morgan Chase Bank, South Region	ü	ü		
			*	*		
Malcolm Gillis	ü	University Professor, Doctorate in Economics and former President of Rice University	ü			ü
			*			*
Victor L. Lund	ü	Former Chairman and CEO of American Stores Company	ü		ü	
			*		*	
John W. Mecom, Jr.	ü	Independent businessman who bought, developed, managed and sold a variety of real estate and other business interests		ü		ü
				*		*
Clifton H. Morris, Jr.	ü	Former Chairman and CEO of AmeriCredit Corp.	ü		ü	
			*		*	
W. Blair Waltrip		Independent Consultant, Family and Trust Investments, and former senior executive of the Company				ü
						*

Current committee assignments are reflected by (ü); anticipated committee assignments following the Meeting, subject to the election of the 5 director nominees listed above, are reflected by (\*).



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 16, 2015 are entitled to vote at the 2015 Annual Meeting of Shareholders (the "Annual Meeting"). As of the close of business on that date, there were outstanding 204,607,913 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 five nominees to the Board of Directors.
2. Approval of PricewaterhouseCoopers LLP as SCI's independent registered public accounting firm for the 2015 fiscal year.
3. Consideration of an advisory vote to approve named executive officer compensation.
4. Approval of a proposal to declassify the Board of Directors.
5. Consideration of one shareholder proposal, if presented.

The Company will also transact such other business as may properly come before the meeting. Except for item "4" above, 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. For item "4" above, the affirmative vote of shareholders holding at least four-fifths (80%) of the Company's issued and outstanding common stock is required to approve the proposal to declassify the Board of Directors.

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 12, 2015.

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. To attend the Annual Meeting in person, you will need proof of your share ownership and valid picture identification.

Q: How does the Board of Directors recommend voting?

A: The Board of Directors recommends voting:

FOR each of the five 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 2015 fiscal year.

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

FOR approval of the proposal to declassify the Board of Directors.

AGAINST the shareholder proposal, if presented.

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 12, 2015?

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 16, 2015 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, (iii) for approval on an advisory basis of named executive officer compensation, (iv) for approval of the proposal to declassify the Board of Directors, and (v) against the shareholder proposal. 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 2015 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