

SOUTH JERSEY INDUSTRIES INC
Form PRE 14A
March 19, 2018
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 Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

South Jersey Industries, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
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- (4) Proposed maximum aggregate value of transaction:
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Fee paid previously with preliminary materials.

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

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

383.6K **1.6%**
 Utility Customers in 118 Customer Base
 Southern NJ Municipalities Growth in 2017

Corporate Governance and Board Diversity

SJI is governed by a Board of Directors, all of whom with the exception of one member are not SJI employees. Our Board of Directors, elected by the shareholders, is the Company’s ultimate decision-making entity, except with respect to matters reserved for shareholder consideration. The current board includes Michael J. Renna (SJI President and CEO), Walter M. Higgins III (Chairman), Sarah M. Barpoulis, Thomas A. Bracken, Keith S. Campbell, Victor A. Fortkiewicz, Sheila Hartnett-Devlin, Sunita Holzer, Joseph M. Rigby, and Frank L. Sims.

The board maintains seven standing committees: the Audit Committee, the Compensation Committee, the Corporate Responsibility Committee, the Executive Committee, the Governance Committee, the Risk Committee and the Strategy & Finance Committee.

In November, 2017, the Executive Women of New Jersey (EWNJ) recognized SJI as a member of its A Seat at the Table Honor Roll for having three or more women on the company’s Board of Directors. In October 2016, the Forum of Executive Women recognized SJI and other companies where women directors comprise at least 25 percent of the Board.

South Jersey Industries

Regulated		Non-Utility	
South Jersey Gas	SJI Midstream	South Jersey Energy Solutions	
Regulated Natural Gas Distribution Company	FERC-Regulated Gas Pipeline/Projects	SJ Energy Services	SJ Energy Group
Customer Composition		Energy production assets (solar, CHP and landfill gas to electric)	Fuel supply management services Wholesale natural gas, and retail natural gas and electric commodity marketing

South Jersey Industries, Inc.

1 South Jersey Plaza

[SJI Logo] Folsom, New Jersey 08037

Tel. (609) 561-9000

Fax (609) 561-7130

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

DATE: May 11, 2018

TIME: 9:00 a.m., Eastern Time

PLACE: Resorts Casino Hotel, 1133 Boardwalk, Atlantic City, New Jersey 08401

To the Shareholders of South Jersey Industries

NOTICE IS HEREBY GIVEN that South Jersey Industries, Inc.'s ("Company" or "SJI") Annual Meeting of Shareholders will be held at Resorts Casino Hotel, Atlantic Ballroom, 1133 Boardwalk, Atlantic City, New Jersey 08401, on May 11, 2018, at 9:00 a.m., Eastern Time, for the following purposes:

1. To elect 10 director nominees who are named in the accompanying proxy statement (term expiring 2019)
2. To hold an advisory vote to approve executive compensation
3. To approve an amendment to the Certificate of Incorporation to change the name of the Company to SJI, Inc.
4. To ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for 2018
5. To transact other business that may properly come before the meeting

Voting can be completed in one of four ways:

returning the proxy card by mail online at www.proxyvote.com

through the telephone at 1-800-690-6903 attending the meeting to vote IN PERSON

The Board of Directors has fixed the close of business on March 12, 2018 as the record date for determining shareholders entitled to notice of, and to vote at, the Annual Meeting. Accordingly, only shareholders of record on that date are entitled to notice of, and to vote at, the meeting.

You are cordially invited to attend the meeting. Attendance at the Annual Meeting will be limited to shareholders as of the record date, their authorized representatives and guests of SJI. Guests of shareholders

will not be admitted unless they are also shareholders as of the record date. If you plan to attend the meeting in person, you will need an admission ticket and a valid government issued photo ID to enter the meeting. For shareholders of record, an admission ticket is attached to your proxy card. If your shares are held in the name of a bank, broker or other holder of record, please bring your account statement as that will serve as your ticket.

Whether or not you expect to attend the meeting, we urge you to vote your shares now. Please complete and sign the enclosed proxy card and promptly return it in the envelope provided or, if you prefer, you may vote by telephone or on the Internet. Please refer to the enclosed proxy card for instructions on how to use these options. Should you attend the meeting, you may revoke your proxy and vote in person.

BY ORDER OF THE BOARD OF DIRECTORS

VP, Treasurer & Acting Corporate Secretary

Folsom, NJ

March 29, 2018

YOUR VOTE IS IMPORTANT. PLEASE VOTE, SIGN, DATE, AND PROMPTLY RETURN YOUR PROXY IN THE ENCLOSED ENVELOPE OR VOTE BY TELEPHONE OR ON THE INTERNET.

Important Notice Regarding the Availability of Proxy Materials for the Shareholders Meeting to be Held on May 11, 2018. The Proxy Statement, the Proxy Card and the 2017 Annual Report are available at www.sjindustries.com by clicking on Investors > Financial Reporting

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PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information you should consider, and you should read the entire proxy statement carefully before voting.

Annual Meeting of Shareholders

Date: May 11, 2018

Time: **8:15 a.m.** - doors will open to the shareholders for continental breakfast

9:00 a.m. - meeting begins

10:00 a.m. - meeting adjourns

Place: Resorts Casino Hotel, Atlantic Ballroom

1133 Boardwalk

Atlantic City, New Jersey 08401

Attendance at the Annual Meeting will be limited to shareholders as of the record date, their authorized representatives and guests of SJI. Guests of shareholders will not be admitted unless

they are also shareholders as of the record date. If you plan to attend the meeting in person, you will need an admission ticket and a valid government issued photo ID to enter the meeting. For shareholders of record, an admission ticket is attached to your proxy card. If your shares are held in the name of a bank, broker or other holder of record, please bring your account statement as that will serve as your ticket.

Use of cameras, recording devices, computers, and other electronic devices, such as smartphones and tablets, will not be permitted at the Annual Meeting. Photography and video are prohibited at the Annual Meeting. Photographs taken by South Jersey Industries at the 2018 Annual Shareholders' Meeting may be used by South Jersey Industries. By attending the 2018 Annual Shareholders' Meeting, you will be agreeing to South Jersey Industries' use of those photographs and waive any claim or rights with respect to those photographs and their use.

Record Date: March 12, 2018

Agenda:

- Election of 10 directors, each to serve a term of one year
- Approval, on an advisory basis, of executive compensation
- Approval of an amendment of our Certificate of Incorporation to change the name of the Company to SJI, Inc.

· Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2018

· Transaction of any other business that may properly come before the meeting

Voting: Shareholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on.

Voting Matters and the Board's Recommendation

The following table summarizes the items that will be brought for a vote of our stockholders at the meeting, along with the Board's recommendation as to how shareholders should vote on each of them.

Proposal No.	Description of Proposal	Board's Recommendation
1	Election of 10 director candidates nominated by the Board, each to serve a one-year term	FOR
2	Approval, on an advisory basis, of executive compensation	FOR
3	Approval of an amendment of Certificate of Incorporation to change the name of the Company to SJI, Inc.	FOR

4 Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2018 FOR

In addition to these matters, shareholders may be asked to vote on such other business as may properly be brought before the meeting or any adjournment or postponement of the meeting.

Proxy Statement Summary

Votes Required for Approval

The table below summarizes the votes required for approval of each matter to be brought before the annual meeting, as well as the treatment of abstentions and broker non-votes.

Proposal No.	Description of Proposal	Vote Required for Approval	Abstentions	Broker Non-Votes
1	Election of directors	Majority of votes cast	No effect	Not taken into account
2	Executive compensation	Majority of votes cast	No effect	Not taken into account
3	Amendment to Articles of Incorporation	Majority of votes cast	No effect	Not applicable
4	Ratification of independent registered public accounting firm	Majority of votes cast	No effect	Not applicable

Director Nominees

The Board is currently comprised of 10 directors: 9 independent directors; and SJI President and Chief Executive Officer. The following table provides summary information about each of the 10 director nominees, including whether the Board

considers the nominee to be independent under the New York Stock Exchange's independence standards and SJI Corporate Governance Guidelines. Each director is elected annually by a majority of votes cast.

Name	Age	Director Since	Director Occupation	Independent	Positions/Committee Memberships
Sarah M. Barpoulis	53	2012	Owner of Interim Energy Solutions, LLC	Yes	1*, 2, 3, 7
Thomas A. Bracken	70	2004	President, New Jersey Chamber of Commerce	Yes	3, 4*, 5, 7
Keith S. Campbell	63	2000	Chairman of the Board, Mannington Mills, Inc.	Yes	2, 5, 6
Victor A. Fortkiewicz	66	2010	Of Counsel, Cullen and Dykman, LLP	Yes	4, 5*, 6
Sheila Hartnett-Devlin, CFA	59	1999	Retired, Senior Vice President, American Century Investments	Yes	1, 4, 7
Walter M. Higgins III	73	2008	Retired, Director, President and CEO at Ascendant Group Ltd. and Director, President and CEO of Bermuda Electric Light Company Limited	Yes	3* As Chairman of the Board, serves as an ex-officio member of all committees
Sunita Holzer	56	2011	Executive Vice President, Chief Human Resource Officer, Realogy Holdings Corp.	Yes	2*, 3, 5, 6

Michael J. Renna	50	2014	President and CEO, South Jersey Industries	No	3
Joseph M. Rigby	61	2016	Retired, Chairman, President and CEO, Pepco Holdings, Inc.	Yes	1, 2, 7*
Frank L. Sims	67	2012	Retired, Corporate Vice President and Platform Leader, Cargill, Inc.	Yes	1, 3, 4, 6*

Each Director attended 75 percent or more of the total number of Board meetings and the Board committee meetings on which he or she served.

It is the Board's policy that the Independent Directors meet in Executive Session at every in-person meeting of the Board or its Committees.

During 2017, the Independent Directors met five times at the conclusion of SJI Board meetings.

Topics of these sessions included CEO and Officer Performance and Compensation, Succession Planning, Director Tenure, Retirement Age, Strategy and Discussions of Corporate Governance. Director Higgins, Chairman of the Board, chaired the meetings of the Independent Directors.

Key to Committee Memberships

- 1 Audit Committee
- 2 Compensation Committee
- 3 Executive Committee
- 4 Governance Committee
- 5 Corporate Responsibility Committee
- 6 Risk Committee
- 7 Strategy & Finance Committee
- * Committee Chairman

GENERAL INFORMATION

Information about the Annual Meeting and Voting

This statement is furnished on behalf of SJI's Board of Directors to solicit proxies for use at its 2018 Annual Meeting of Shareholders. The meeting is scheduled for Friday, May 11, 2018, at 9:00 a.m. at Resorts Casino Hotel, Atlantic Ballroom, 1133 Boardwalk, Atlantic City, New Jersey. The approximate date proxy materials will be

made available to shareholders is March 29, 2018. Copies of the proxy statement, proxy card and 2017 Annual Report are available on our website at www.sjindustries.com under the heading "Investors".

Proxy Solicitation

The Company bears the cost of this solicitation, which is primarily made by mail. However, the Corporate Secretary or company employees may solicit proxies by phone, fax, e-mail or in person, but they will not be separately compensated for these services. The Company may also use a proxy-soliciting firm at a cost

not expected to exceed \$6,000, plus expenses, to distribute to brokerage houses and other custodians, nominees, and fiduciaries additional copies of the proxy materials and 2017 Annual Report for beneficial owners of our stock.

Record Date

Only shareholders of record at the close of business on March 12, 2018 may vote at the meeting. On that date, the Company had 79,595,317 shares of Common Stock outstanding.

Shareholders are entitled to one vote per share on each matter to be acted upon.

Quorum and Vote Required

A quorum is necessary to conduct the meeting's business. This means holders of at least a majority of the outstanding shares of Common Stock must be present at the meeting, either by proxy or in person. Shareholders elect Directors by a majority vote of all votes cast at the meeting. The other actions proposed herein require the affirmative vote of a majority of the votes cast at the meeting. The vote required to approve any other matter that may be properly brought before the Annual Meeting will be determined in accordance

with the New Jersey Business Corporation Act. Abstentions and broker non-votes will be treated as present to determine a quorum but will not be deemed to be cast and, therefore, will not affect the outcome of any of the

shareholder questions. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner.

Voting of Proxies and Revocation

Properly signed proxies received by the Company will be voted at the meeting. If a proxy contains a specific instruction about any matter to be acted on, the shares represented by the proxy will be voted according to those instructions. If you sign and return your proxy but do not indicate how to vote for a particular matter, your shares will be voted as the Board of Directors recommends. A shareholder who returns a proxy may revoke it at any time before it is voted by submitting a later-dated proxy or by voting by ballot

at the meeting. If you attend the meeting and wish to revoke your proxy, you must notify the meeting's secretary in writing prior to the proxy voting. If any other matters or motions properly come before the meeting, including any matters dealing with the conduct of the meeting, the persons named in the accompanying proxy card intend to vote the proxy according to their judgment. The Board of Directors is not aware of any such matters other than those described in this proxy statement.

Householding of Annual Meeting Materials

Certain banks, brokers, broker-dealers and other similar organizations acting as nominee record holders may be participating in the practice of "householding" proxy statements and annual reports. This means that only one copy of this proxy statement and the Company's 2017 Annual Report may have been sent to multiple shareholders in your household. If you would prefer to receive separate copies of a proxy statement or annual report for other shareholders in your household, either now or in the future, please contact your bank, broker, broker-dealer or other similar organization serving as your nominee.

Upon written or oral request to the Corporate Secretary at 1 South Jersey Plaza, Folsom, New Jersey 08037, the Company will promptly provide separate copies of the 2017 Annual Report and/or this proxy statement. Shareholders sharing an address who are receiving multiple copies of this proxy statement and/or the 2017 Annual Report and who wish to receive a single copy of these materials in the future will need to contact their bank, broker, broker-dealer or other similar organization serving as their nominee to request that only a single copy of each document be mailed to all shareholders at the shared address in the future.

Other Matters

Any proposal that a qualified shareholder of the Company wishes to include in the Company's proxy statement to be sent to shareholders in connection with the Company's 2019 Annual Meeting of Shareholders that is received by the Company after November 20, 2018 will not be eligible for inclusion in the Company's proxy statement and form of

proxy for that meeting. To be included, proposals can be mailed to the Corporate Secretary at 1 South Jersey Plaza, Folsom, New Jersey 08037. To be a qualified shareholder, a shareholder must have owned at least \$2,000 in market value of the Company's securities for at least one year before the date of the proposal's submission to the Company. A shareholder of the Company may wish to have a proposal presented at the 2019 Annual Meeting of Shareholders, but not to have such proposal included in the Company's

proxy statement and form of proxy relating to that meeting. In compliance with the Company's bylaws, notice of any such proposal must be received by the Company between January 21, 2019 and February 20, 2019. If it is not received during this period, such proposal shall be deemed "untimely" for purposes of Rule 14a-4(c) under the Exchange Act, and, therefore, the proxies will have the right to exercise discretionary voting authority with respect to such proposal. Any such proposal must be submitted in writing to the Corporate Secretary at the address previously provided in this section.

The Board of Directors knows of no matters other than those set forth in the Notice of Annual Meeting of Shareholders to come before the 2018 Annual Meeting.

PROPOSALS TO BE VOTED ON

PROPOSAL 1 DIRECTOR ELECTIONS

At the Annual Meeting, 10 directors are to be elected to the Board of Directors to hold office for a one-year term. The Board nominated the following persons: Sarah M. Barpoulis, Thomas A. Bracken, Keith S. Campbell, Victor A. Fortkiewicz, Sheila Hartnett-Devlin, Walter M. Higgins III, Sunita Holzer, Michael J. Renna, Joseph M. Rigby and Frank L. Sims. We do not anticipate that, if elected, any of the nominees will be unable to serve. If any should be unable to accept the nomination or election, the persons designated as proxies on the proxy card may vote for a substitute nominee selected by the Board of Directors.

In accordance with its Charter, the Governance Committee reviewed the education, experience, judgment, diversity and other applicable and relevant skills of each nominee, and determined

that each nominee possesses skills and characteristics that support the Company's strategic vision. The Governance Committee determined that the key areas of expertise include: corporate governance; cybersecurity; enterprise leadership; financial (including accounting, finance, and "financial experts" as defined by the SEC); governmental and regulatory; human resources; public/shareholder relations; risk assessment/management; strategy formation/execution; and technical/industry. The Governance Committee concluded that the nominees possess expertise and experience in these areas, and the Board approved the slate of nominees. Based on their expertise and experience, the Governance Committee determined the following directors should be elected for the 2018 - 2019 term:

Proposal 1 Director Elections

HIGHLIGHTS OF DIRECTOR NOMINEES

Our Director nominees possess skills and experience aligned to our current and future strategy and business needs. Annual Board evaluations also include an assessment of whether the Board has an appropriate mix of skills, experience and other characteristics.

All Director Nominees Have:

- A reputation of high integrity
- A proven record of success
- An ability to exercise sound judgement
- A demonstrated knowledge of business strategy and board operations
- An understanding of corporate governance best practices and processes
- A commitment to contribute the time necessary to be actively involved in all decision-making activities

Our Director nominees exhibit an effective mix of diversity, experience and fresh perspective

DIRECTOR AGE DIVERSITY

Proposal 1 Director Elections

**The Board of Directors recommends a vote “FOR”
each of the following nominees:**

Sarah M. Barpoulis