

SOUTH JERSEY INDUSTRIES INC
Form DEF 14A
March 18, 2016
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

(Name of Registrant as Specified In Its Charter)

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

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No fee required.

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

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- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

Fee paid previously with preliminary materials.

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- (4) Date Filed:

2016

**Notice of
ANNUAL
MEETING
OF SHAREHOLDERS
AND PROXY STATEMENT**

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South Jersey Industries, Inc.
1 South Jersey Plaza,
Folsom, New Jersey 08037
Tel. (609) 561-9000
Fax (609) 561-8225

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

DATE: April 29, 2016

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

PLACE: The Westin Mount Laurel, The Grand Ballroom, 555 Fellowship Road, Mount Laurel, New Jersey 08054
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 The Westin Mount Laurel, The Grand Ballroom, 555 Fellowship Road, Mount Laurel, New Jersey 08054, on April 29, 2016, 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 2017).
2. To hold an advisory vote to approve executive compensation.
3. To ratify the appointment of Deloitte & Touche LLP as the independent registered public accounting firm for 2016.
4. 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 (609) 561-9000 | attending the meeting to vote IN PERSON |

The Board of Directors has fixed the close of business on February 29, 2016 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. 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

Senior Vice President, General Counsel & Corporate Secretary

Folsom, NJ

March 29, 2016

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 April 29, 2016. The Proxy Statement, the Proxy Card and the Annual Report to Shareholders 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: April 29, 2016

Time: **8:15 a.m.** - doors will open to the public for continental breakfast
9:00 a.m. - meeting begins
10:00 a.m. - meeting adjourns

Place: The Westin Mount Laurel, The Grand Ballroom
555 Fellowship Road
Mount Laurel, New Jersey 08054

Admission to the meeting: Attendance at the Annual Meeting will be limited to shareholders as of the record date, their authorized representatives and guests of SJI. **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.

Record Date: February 29, 2016

Agenda:

- Election of 10 directors, each to serve a term of one year
- Approval, on an advisory basis, of executive compensation
- Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2016
- 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 | Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2016 | 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 | Ratification of independent registered public accounting firm | Majority of votes cast | No effect | Not applicable |

Director Nominees

The Board is currently comprised of: nine independent directors; our President and Chief Executive Officer is also a member of the Board. 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 our Corporate Governance Guidelines. Each director is elected annually by a plurality of votes cast.

| Name | Age | Director Since | Occupation | Independent | Positions/Committee Memberships |
|-----------------------------|------------|-----------------------|---|--------------------|--|
| Sarah M. Barpoulis | 51 | 2012 | Owner of Interim Energy Solutions, LLC | Yes | 1, 4 |
| Thomas A. Bracken | 68 | 2004 | President, New Jersey Chamber of Commerce | Yes | 3, 4*, 5 |
| Keith S. Campbell | 61 | 2000 | Chairman of the Board, Mannington Mills, Inc. | Yes | 2*, 3, 5 |
| Victor A. Fortkiewicz | 64 | 2010 | Of Counsel, Cullen and Dykman, LLP | Yes | 3, 4, 5* |
| Sheila Hartnett-Devlin, CFA | 57 | 1999 | Senior Vice President, American Century Investments | Yes | 1*, 2, 3 |
| Walter M. Higgins III | 71 | 2008 | Director, President and CEO at Ascendant Group Ltd. and Director, President and CEO of Bermuda Electric Light Company Limited | Yes | 1, 3* |
| Sunita Holzer | 54 | 2011 | Executive Vice President, Chief Human Resource Officer, Realogy Holdings Corp. | Yes | 2, 5 |
| Joseph H. Petrowski | 62 | 2008 | Managing Partner and Founder, Mercantor Partners, LLC | Yes | 1, 2, 3 |
| Michael J. Renna | 48 | 2014 | President and CEO, South Jersey Industries | No | |
| Frank L. Sims | 65 | 2012 | Retired, Corporate Vice President and Platform Leader, Cargill, Inc. | Yes | 1, 4 |

Key to Committee Memberships

1 Audit Committee 4 Governance Committee
2 Compensation Committee 5 Corporate Responsibility Committee
3 Executive Committee * Committee Chairman

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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 2016 Annual Meeting of Shareholders. The meeting is scheduled for Friday, April 29, 2016, at 9:00 a.m. at The Westin Mount Laurel, 555 Fellowship Road, Mount Laurel, New Jersey. The approximate date proxy

materials will be made available to shareholders is March 29, 2016. Copies of the proxy statement, proxy card and Annual Report to shareholders 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 Annual Report to Shareholders for beneficial owners of our stock.

Record Date

Only shareholders of record at the close of business on February 29, 2016 may vote at the meeting. On that date, the Company had 71,230,909 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.

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 2017 Annual Meeting of Shareholders that is received by the Company after November 30, 2016 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. In compliance with the Company's bylaws, shareholders must provide the Company with at least 60 days, but no more than 90 days, notice prior to an announced annual meeting date of (i) business the shareholder wishes to raise at the meeting and (ii) persons, if any, the shareholder wishes to nominate for election as directors at that meeting.

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 2016 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, Joseph H. Petrowski, Michael J. Renna and Frank L. Sims. The Board of Directors currently consists of 10 members, all of whom are nominees. 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; 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 2016 - 2017 term.

Proposal 1 Director Elections

Highlights of Director Nominees

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Proposal 1 Director Elections

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

Sarah M. Barpoulis

Age: 51

Director since: 2012

Owner of Interim Energy Solutions, LLC, Potomac, MD

Skills and Qualifications:

- Director Barpoulis’ areas of expertise include corporate governance, risk assessment/management, strategy formation/execution and technical/industry.
- Director Barpoulis is a financial expert as defined by the SEC.
- She has also received a Certificate of Director Education from the National Association of Corporate Directors.

SJI Boards and Committees:

- Governance Committee
- Audit Committee
- Director of South Jersey Energy Company
- Executive Committee Member, SJI Midstream, LLC; South Jersey Energy Solutions, LLC; Marina Energy, LLC; South Jersey Energy Service Plus, LLC; and South Jersey Resources Group, LLC

Since 2003, Ms. Barpoulis has provided asset management and advisory services to the merchant energy sector through Interim Energy Solutions, LLC, a company she founded. From 1991 to February 2003 she held several positions with PG&E National Energy Group, Inc., now known as National Energy & Gas Transmission, Inc., last serving as Senior Vice President, Commercial Operations and Trading. Ms. Barpoulis serves on the following boards: Director, SemGroup Corporation; Director, Educare Washington, DC; and was previously a director of Reliant Energy, Inc.

Thomas A. Bracken

Age: 68

Director since: 2004

President, New Jersey Chamber of Commerce, Trenton, NJ

Skills and Qualifications:

- Director Bracken’s areas of expertise and experience include corporate governance, enterprise leadership, governmental and regulatory, and public/shareholder relations.
- Director Bracken is a financial expert as defined by the SEC.

SJI Boards and Committees:

- Corporate Responsibility Committee
- Executive Committee
- Chairman of the Governance Committee
- Director of South Jersey Gas Company

Mr. Bracken has served as president of the New Jersey Chamber of Commerce since February 2011; as president of TriState Capital Bank-New Jersey from January 2008 to February 2011; as president and CEO of Sun Bancorp, Inc. and its wholly owned subsidiary Sun National Bancorp, Inc., from 2001 to 2007; as executive director of the Public Sector Group, First Union Bank from 2000 to 2001; and, as executive vice president, head of Commercial and Governmental Banking for New Jersey, New York and Connecticut, First Union Bank from 1998 to 2000. Mr. Bracken is the former director of Rome Financial Corp.; former chairman, Economic Development Corporation of Trenton, Trenton, NJ; former chairman, New Jersey Chamber of Commerce; and former chairman, New Jersey Bankers Association. Currently, Mr. Bracken serves on the following boards: director and chairman, N.J. Alliance for Action Foundation; director, NJ Alliance for Action; director, Public Media NJ; director, Rutgers Cancer Institute of N.J. Foundation; director, Solix, Inc.; president, Bedens Brook Club; member, advisory board, Investors Bancorp.

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Proposal 1 Director Elections

Keith S. Campbell

Age: 61

Director since: 2000

Chairman of the Board, Mannington Mills, Inc., Salem, NJ

Skills and Qualifications:

Director Campbell's areas of expertise include corporate governance, enterprise leadership, human resources, and strategy formation/execution.

SJI Boards and Committees:

- Corporate Responsibility Committee
- Executive Committee
- Chairman of the Compensation Committee
- Director of South Jersey Energy Company
- Executive Committee Member, SJI Midstream, LLC; South Jersey Energy Solutions, LLC; Marina Energy, LLC; South Jersey Energy Service Plus, LLC; and South Jersey Resources Group, LLC.

Mr. Campbell has served as chairman of the board for Mannington Mills, Inc. since 1995, as director on the Federal Reserve Bank of Philadelphia from 2008 to 2013 and as a director of Skytop Lodge, Inc. from 2000 to 2015. Mr. Campbell serves on the following board: board member, Rowan University, Glassboro, NJ.

Victor A. Fortkiewicz

Age: 64

Director since: 2010

Of Counsel, Cullen and Dykman, LLP, New York, NY

Skills and Qualifications:

Director Fortkiewicz' areas of expertise include corporate governance, enterprise leadership, governmental and regulatory, and technical/industry.

SJI Boards and Committees:

- Chairman of the Corporate Responsibility Committee
- Governance Committee
- Director of South Jersey Gas Company

Mr. Fortkiewicz has been Of Counsel, Cullen and Dykman, LLP since October 2011. He served as executive director, New Jersey Board of Public Utilities from 2005 to 2010; as assistant counsel, Office of the Governor in 2005; and as president and director, NUI Utilities & Elizabethtown Gas Company from 2003 to 2004.

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