

SOUTH JERSEY INDUSTRIES INC
Form DEF 14A
March 15, 2019
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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.

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- (1) Title of each class of securities to which transaction applies:
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South Jersey Industries, Inc.
1 South Jersey Plaza
Folsom, New Jersey 08037
Tel. (609) 561-9000
Fax (609) 561-7130

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

DATE: April 26, 2019

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

PLACE: Hard Rock Hotel & Casino Atlantic City, Brighton Ballroom, 1000 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 Hard Rock Hotel & Casino Atlantic City, Brighton Ballroom, 1000 Boardwalk, Atlantic City, New Jersey 08401, on April 26, 2019, 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 2020)
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 2019
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 1-800-690-6903

attending the meeting to vote IN PERSON

The Board of Directors has fixed the close of business on February 25, 2019 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

Corporate Secretary

Folsom, NJ

March 15, 2019

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 26, 2019. The Proxy Statement, the Proxy Card and the 2018 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 the information you should consider, and you should read the entire proxy statement carefully before voting.

Annual Meeting of Shareholders

Date: April 26, 2019

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: Hard Rock Casino & Hotel Atlantic City, Brighton Ballroom

1000 Boardwalk

Atlantic City, New Jersey 08401

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. 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 2019 Annual Shareholders' Meeting may be used by South Jersey Industries. By attending the 2019 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: February 25, 2019

- 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 2019
 - 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		FOR

Election of 10 director candidates nominated by the Board, each to serve a one-year term

- | | | |
|---|--|-----|
| 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 2019 | 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.

South Jersey Industries, Inc. - 2019 Proxy Statement **II**

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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 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	Occupation	Independent	Positions/Committee Memberships
Sarah M. Barpoulis	54	2012	Owner of Interim Energy Solutions, LLC	Yes	1*, 2, 3, 7
Thomas A. Bracken	71	2004	President, New Jersey Chamber of Commerce	Yes	3, 4*, 5, 7
Keith S. Campbell	64	2000	Chairman of the Board, Mannington Mills, Inc.	Yes	2, 5, 6
Victor A. Fortkiewicz	67	2010	Of Counsel, Cullen and Dykman, LLP	Yes	4, 5*, 6
Sheila Hartnett-Devlin, CFA	60	1999	Retired, Senior Vice President, American Century Investments	Yes	1, 4, 7
Walter M. Higgins III	74	2008	Chairman (non-executive) of South Jersey Industries	Yes	3* As Chairman of the Board, serves as an ex-officio member of all committees
Sunita Holzer	57	2011	Executive Vice President, Chief Human Resource Officer, Realogy Holdings Corp.	Yes	2*, 3, 5, 6
Michael J. Renna	51	2014	President and CEO, South Jersey Industries	No	3
Joseph M. Rigby	62	2016	Retired, Chairman, President and CEO,	Yes	1, 2, 7*

			Pepco Holdings, Inc.		
Frank L. Sims	68	2012	Chairman of the Board, Atlanta Pension Fund, Retired, Corporate Vice President and Platform Leader, Cargill, Inc.	Yes	1, 3, 4, 6*

<p>The Board of Directors met 14 times in 2018.</p>	<p>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.</p>	<p>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.</p>	<p>During 2018, the Independent Directors met twelve times in conjunction with SJI Board meetings.</p>	<p>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.</p>
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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

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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 2019 Annual Meeting of Shareholders. The meeting is scheduled for Friday, April 26, 2019, at 9:00 a.m. at Hard Rock Hotel & Casino, Brighton Ballroom, 1000 Boardwalk, Atlantic City, New Jersey. The approximate date proxy materials will

be made available to shareholders is March 15, 2019. Copies of the proxy statement, proxy card and 2018 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 \$15,000, plus expenses, to distribute to brokerage houses and other custodians, nominees, and fiduciaries additional copies of the proxy materials and 2018 Annual Report for beneficial owners of our stock.

Record Date

Only shareholders of record at the close of business on February 25, 2019 may vote at the meeting. On that date, the Company had 92,333,123 shares of Common Stock outstanding.

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

Quorum and Vote Required meeting's

A quorum is necessary to conduct the 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 2018 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 2018 Annual Report and/or this proxy statement. Shareholders sharing an address who are receiving multiple copies of this proxy statement and/or the 2018 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.

South Jersey Industries, Inc. - 2019 Proxy Statement **B**

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General Information

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 2020 Annual Meeting of Shareholders that is received by the Company after November 16, 2019 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 2020 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 27, 2020 and February 26, 2020. 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 2019 Annual Meeting.

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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/IT; 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 2019 - 2020 term:

Highlights of Director Nominees

Sarah M. Barpoulis

Age: 54

Director since: 2012

Owner of Interim Energy Solutions, LLC,
Potomac, MD

Thomas A. Bracken

Age: 71

Director since: 2004

President, New Jersey Chamber of
Commerce,
Trenton, NJ

Keith S. Campbell

Age: 64

Director since: 2000

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

Victor A. Fortkiewicz

Age: 67

Director since: 2010

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

Sheila Hartnett-Devlin, CFA

Walter M. Higgins III

Age: 60

Director since: 1999

Retired, Senior Vice President, American Century Investments, New York, NY

Age: 74

Director since: 2008

Chairman, (non-executive) of South Jersey Industries, Folsom, NJ

Sunita Holzer

Age: 57

Director since: 2011

Executive Vice President, Chief Human Resource Officer, Realty Holdings Corp., Madison, NJ

Michael J. Renna

Age: 51

Director since: 2014

President and CEO, South Jersey Industries, Folsom, NJ

Joseph M. Rigby

Age: 62

Director since: 2016

Retired, Chairman, President and CEO of Pepco Holdings, Inc., Washington, D.C.

Frank L. Sims

Age: 68

Director since: 2012

Chairman of the Board, Atlanta Pension Fund, Atlanta, GA

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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

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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: 54

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
-