

SOUTH JERSEY INDUSTRIES INC
Form DEF 14A
March 20, 2014

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

Filed by the Registrant x
Filed by a party other than the Registrant o

Check the appropriate box:

- o Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o 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)

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- x No fee required.
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- (1) Amount Previously Paid:
 - (2) Form, Schedule or Registration Statement No.:
 - (3) Filing Party:
 - (4) Date Filed:
-
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2014 Proxy Statement and
Notice of Annual Meeting of Shareholders

1 South Jersey Plaza, Folsom, New Jersey 08037
Tel. (609) 561-9000 | Fax (609) 561-8225 | TDD ONLY 1-800-547-9085

Notice of Annual Meeting of Shareholders
April 24, 2014

NOTICE IS HEREBY GIVEN that South Jersey Industries, Inc.'s ("Company" or "SJI") Annual Meeting of Shareholders will be held at Stockton Seaview Hotel and Golf Club, Bayview Room, 401 South New York Road, Galloway, New Jersey, on April 24, 2014, at 9:15 a.m., Eastern Time for a continental breakfast and at 10:00 a.m., Eastern Time, for the following purposes:

1. To elect 11 director nominees who are named in the accompanying proxy statement (term expiring 2015).
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 2014.
4. To approve an amendment to the Certificate of Incorporation to make the provisions of Section 14A:3-6.1 to 14A:3-6.9 of the New Jersey Business Corporation Act relating to derivative proceedings and shareholder class actions, applicable to the Company.
5. To transact other business that may properly come before the meeting.

The Board of Directors has fixed the close of business on February 24, 2014 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,
Gina Merritt-Epps

General Counsel & Corporate Secretary

Folsom, NJ
March 24, 2014

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 24, 2014
The Proxy Statement, the Proxy Card and the Annual Report to Shareholders are available at www.sjindustries.com click on Investors > Financial Reporting

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SOUTH JERSEY INDUSTRIES, INC.

1 South Jersey Plaza, Folsom, New Jersey 08037

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 24, 2014

Time: 9:15 a.m. - doors will open to the public for continental breakfast
10:00 a.m. - meeting begins
11:00 a.m. - meeting adjourns

Place: Stockton Seaview Hotel and Golf Club, Bayview Room
401 South New York Road
Galloway, New Jersey
Please see the back of the Proxy for parking instructions.

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 24, 2014

Election of 11 directors each to serve a term of one year

Approval, on an advisory basis, of our executive compensation

Agenda: Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2014

Approval of the amendment to the Certificate of Incorporation relating to derivative proceedings and shareholder class actions

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.

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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 eleven director candidates nominated by the Board, each to serve a one-year term	FOR
2	Approval, on an advisory basis, of our executive compensation	FOR
3	Ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2014	FOR
4	Approval of the amendment to the Certificate of Incorporation to make the provisions of Section 14A:3-6.1 to 14A:3-6.9 of the New Jersey Business Corporation Act applicable to SJI. When implemented, the new statute will assist SJI in avoiding frivolous derivative lawsuits and the associated expenses.	FOR
2		

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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.

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	Plurality of votes cast	Not applicable	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
4	Approval of the amendment to Certificate of Incorporation	Majority of votes cast	No effect	Not taken into account

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Director Nominees

The Board is comprised of: nine independent directors; our Chairman, who is also our Chief Executive Officer; and our President. The following table provides summary information about each director nominee, 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	49	2012	Owner of Interim Energy Solutions, LLC	Yes	1, 4
Thomas A. Bracken	66	2004	President, New Jersey Chamber of Commerce	Yes	1, 3, 5*
Keith S. Campbell	59	2000	Chairman of the Board, Mannington Mills, Inc.	Yes	2*, 3, 5
Victor A. Fortkiewicz	62	2010	Of Counsel, Cullen and Dykman, LLP	Yes	4, 5
Edward J. Graham	57	2004	Chairman of the Board and CEO, South Jersey Industries	No	3*
Sheila Hartnett-Devlin, CFA	55	1999	Senior Vice President, American Century Investments	Yes	1*, 2, 3
Walter M. Higgins III	69	2008	President and CEO at Ascendant Group Ltd. and President and CEO of Bermuda Electric Light Company Limited	Yes	1, 3, 4*
Sunita Holzer	52	2011	Executive Vice President, Chief Human Resources Officer, CSC	Yes	2, 5
Joseph H. Petrowski	60	2008	Managing Partner and Founder, Mercantor Partners, LLC	Yes	1, 3, 4
Michael J. Renna	46	2014	President and COO, South Jersey Industries	No	
Frank L. Sims	63	2012	Retired, Corporate Vice President and Platform Leader, Cargill, Inc.	Yes	1, 2

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Key to Committee Memberships:

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

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GENERAL INFORMATION

This statement is furnished on behalf of SJI's Board of Directors to solicit proxies for use at its 2014 Annual Meeting of Shareholders. The meeting is scheduled for Thursday, April 24, 2014, at 10:00 a.m. at Stockton Seaview Hotel and Golf Club, 401 South New York Road, Galloway, New Jersey. The approximate date proxy materials will be sent to shareholders is March 24, 2014. A copy 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 24, 2014 may vote at the meeting. On that date, the Company had 32,741,343 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 plurality 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 2015 Annual Meeting of Shareholders that is received by the

Company after November 24, 2014 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.

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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 2014 Annual Meeting.

PROPOSAL 1

DIRECTOR ELECTIONS

At the Annual Meeting, 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, Edward J. Graham, 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 11 members. All nominees are currently serving as directors. 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: accounting; corporate governance; enterprise leadership; enterprise and/or risk management; executive compensation; finance/financial management; human resources; political/governmental; legal; and utility/energy. 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 2014 - 2015 term.

Sarah M.
Barpoulis

Skills and Qualifications:

SJI Boards and Committees:

Age: 49

Director since
2012

Owner of Interim
Energy Solutions,
LLC, Potomac,
MD

Director Barpoulis' areas of expertise include corporate governance, energy and enterprise risk management, enterprise leadership, executive compensation, finance/financial management, strategic/business planning, tradable commodities, and utility/energy 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.

Governance Committee

Audit Committee

Director of South Jersey Energy
Company

Executive Committee Member, 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 Vice President, Commercial Operations and Trading in 2000. Ms. Barpoulis serves on the following boards: Director, SemGroup Corporation; and was previously a director of Reliant Energy, Inc.

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Thomas A. Bracken

SJI Boards and Committees:

<p>Age: 66</p> <p>Director since 2004</p> <p>President, New Jersey Chamber of Commerce, Trenton, NJ</p>	<p>Skills and Qualifications:</p> <p>Director Bracken's areas of expertise and experience include corporate governance, enterprise leadership, enterprise risk management, executive compensation, finance/financial management, and political/governmental.</p> <p>Director Bracken is a financial expert as defined by the SEC.</p>	<p>Audit Committee</p> <p>Executive Committee</p> <p>Chairman of the Corporate Responsibility Committee</p> <p>Director of South Jersey Gas Company</p>
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Mr. Bracken has served as president of the New Jersey Chamber of Commerce since February 2011; 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 Bankcorp.

Keith S. Campbell

<p>Age: 59</p> <p>Director since 2000</p> <p>Chairman of the Board, Mannington Mills, Inc., Salem, NJ</p>	<p>Skills and Qualifications:</p> <p>Director Campbell's areas of expertise include corporate governance, enterprise leadership, enterprise risk management, environmental, executive compensation, finance/financial management, human resources and sales/marketing.</p>	<p>SJI Boards and Committees:</p> <p>Corporate Responsibility Committee</p> <p>Executive Committee</p> <p>Chairman of the Compensation Committee</p> <p>Director of South Jersey Energy Company</p> <p>Executive Committee Member, South Jersey Energy Solutions, LLC; Marina Energy LLC; South Jersey Energy Service Plus, LLC; and South Jersey Resources Group, LLC.</p>
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Mr. Campbell has served as chairman of the board for Mannington Mills, Inc. since 1995 and as director on the Federal Reserve Bank of Philadelphia from 2008 to 2013. Mr. Campbell serves on the following boards: board member, Rowan University, Glassboro, NJ; director, Skytop Lodge, Inc.

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Victor A. Fortkiewicz

Age: 62

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, enterprise risk management, environmental, legal, political/governmental, and the utility/energy industry.

SJI Boards and
Committees:

Corporate
Responsibility
Committee

Governance
Committee

Director of South
Jersey Gas Company