

SOUTH JERSEY INDUSTRIES INC
Form DEF 14A
March 29, 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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- (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	FERC-Regulated Gas		
Distribution Company	Pipeline/Projects	SJ Energy Services	SJ Energy Group
		Energy production assets (solar, CHP and landfill gas to electric)	· Fuel supply management services
Customer Composition			· Wholesale natural gas, and retail natural gas and electric commodity marketing

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: 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 FOR
 independent registered public accounting firm for 2018

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	Director Age Since	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	Chief Executive Officer, Puerto Rico Electric Power Authority (PREPA)	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*

The Board of Directors met 17 times in 2017. 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 demonstrated knowledge of business strategy and board operations |
| • A proven record of success | • An understanding of corporate governance best practices and processes |
| • An ability to exercise sound judgement | • 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

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, and is a National Association of Corporate Directors Board Leadership Fellow.

Age: 53

Director since:
2012

Owner of Interim Energy Solutions, LLC, Potomac, MD

SJI Boards and Committees:

- Chairman of the Audit Committee
- Compensation Committee
- Executive Committee
- Strategy & Finance Committee

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. Ms. Barpoulis serves on the following boards: Director, SemGroup Corporation; Director, Educare DC; and was previously a director of Reliant Energy, Inc.

Thomas A. Bracken

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.

Age: 70

Director since:
2004

President, New Jersey Chamber of Commerce, Trenton, NJ

SJI Boards and Committees:

- Corporate Responsibility Committee
- Executive Committee
- Chairman of the Governance Committee
- Strategy & Finance Committee

Mr. Bracken has served as president of the New Jersey Chamber of Commerce since February 2011; and as president of TriState Capital Bank-New Jersey from January 2008 to February 2011. 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.; member, advisory board, Investors Bancorp; director, NJ Hall of Fame; director, Junior Achievement of NJ.

Proposal 1 Director Elections

Keith S. Campbell

Age: 63
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:

- Compensation Committee
- Corporate Responsibility Committee
- Risk Committee

Mr. Campbell has served as chairman of the board for Mannington Mills, Inc. since 1995, as director of the Federal Reserve Bank of Philadelphia from 2008 to 2013 and as a director of Skytop Lodge, Inc. from 2000 to 2015.

Victor A. Fortkiewicz

Age: 66
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
- Risk Committee

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.

Sheila Hartnett-Devlin, CFA

Age: 59
Director since: 1999
Retired, Senior Vice President, American Century Investments, New York, NY

Skills and Qualifications:

• Director Hartnett-Devlin's areas of expertise and experience include corporate governance, financial, public/shareholder relations, and risk assessment/management.

• Director Hartnett-Devlin is registered with FINRA and holds Series 7 and Series 24 licenses.

• Director Hartnett-Devlin is a financial expert as defined by the SEC.

SJI Boards and Committees:

- Audit Committee
- Governance Committee
- Strategy & Finance Committee
- Director of South Jersey Energy Company
-

Executive Committee member, SJI Midstream, LLC; South Jersey Energy Solutions, LLC

Ms. Hartnett-Devlin served as vice president, American Century Investments from 2008 to 2011 and senior vice president from 2011 to 2017. She is a member of the NY Society of Security Analysts. Ms. Hartnett-Devlin is a member of the board of Mannington Mills, Inc.

Proposal 1 Director Elections

Walter M. Higgins III

Age: 73

Director since: 2008

Chief Executive Officer, Puerto Rico Electric Power Authority (PREPA)

Skills and Qualifications:

- Director Higgins' areas of expertise include corporate governance, enterprise leadership, governmental and regulatory, and technical/industry.
- Director Higgins is a financial expert as defined by the SEC.

SJI Boards and Committees:

- Chairman of the Board
- Chairman of the Executive Committee
- Chairman of South Jersey Gas Company
- Ex-officio member of all committees

Mr. Higgins has served as chairman of the board since April 2015. He has served as Chief Executive Officer of Puerto Rico Electric Power Authority (PREPA) since March, 2018. Mr. Higgins served as Director, President and CEO of Ascendant Group Ltd. from May 2012 to October 2016 as well as President and CEO of Bermuda Electric Light Company Limited from September 2012 until October 2016. He is the retired chairman, president, and CEO of Sierra Pacific Resources (now called NVEnergy). Mr. Higgins serves as a member of the board of AEGIS.

Sunita Holzer

Age: 56

Director since: 2011

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

Skills and Qualifications:

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

SJI Boards and Committees:

- Chairman of the Compensation Committee
- Corporate Responsibility Committee
- Executive Committee
- Risk Committee

Ms. Holzer has served as Executive Vice President, Chief Human Resource Officer, Realogy Holdings Corp. since March 2015; served as president, Human Capital insight, LLC from June 2014 to February 2015; served as executive vice president and chief human resources officer, CSC, from June 2012 to May 2014; and served as executive vice president, chief human resources officer, Chubb Insurance Company from 2003 to June 2012. Ms. Holzer is an advisory board member of Re: Gender.

Proposal 1 Director Elections

Michael J. Renna

Skills and Qualifications:

Director Renna's areas of expertise include enterprise leadership, financial, strategy formation/execution, and technical/industry.

SJI Boards and Committees:

- Chairman of the Board, Energy & Minerals, Inc.
- Chairman of the Board, R&T Group, Inc.
- Chairman of the Board, South Jersey Energy Company
- Executive Committee Member, South Jersey Energy Solutions, LLC; SJI Midstream, LLC; Marina Energy, LLC; and South Jersey Resources Group, LLC

Age: 50

Director since: 2014

President and CEO, South Jersey Industries, Folsom, NJ

Mr. Renna has been President and Chief Executive Officer of South Jersey Industries, Inc. since May 1, 2015. He served as President and Chief Operating Officer of South Jersey Industries, Inc. from January 2014 to April 30, 2015; as President of South Jersey Energy Solutions, LLC from April 2011 to April 30, 2015; as President of South Jersey Energy Company from 2004 to April 30, 2015; as President of Marina Energy LLC from April 2011 to April 30, 2015; as President of South Jersey Energy Service Plus, LLC from April 2007 to April 30, 2015; as President of SJESP Plumbing Services, LLC from 2011 to April 30, 2015; as President of South Jersey Resources Group, LLC from 2012 to April 30, 2015; and as member of Executive Committee of Energenic-US, LLC since 2008. Mr. Renna previously served as Senior Vice President of South Jersey Industries, Inc. from January 2013 to January 2014; as Vice President of South Jersey Industries, Inc. from 2004 to 2013; as Chief Operating Officer of South Jersey Energy Solutions, LLC from 2005 to 2011; as Vice President of SJESP Plumbing Services, LLC from 2007 to 2011; as Vice President of South Jersey Resources Group, LLC from 2008 to 2010.

Joseph M. Rigby

Skills and Qualifications:

Director Rigby's areas of expertise include cyber security, enterprise leadership, financial, strategy formation/execution, and technical/industry.

- Director Rigby is a financial expert as defined by the SEC.

SJI Boards and Committees:

- Audit Committee
- Compensation Committee
- Chairman of the Strategy & Finance Committee
- Director of South Jersey Gas Company

Age: 61

Director since: 2016

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

Mr. Rigby served as the Chairman, President and CEO of Pepco Holdings, Inc. from March 2009 through March 2016. He also served as a Director of Dominion Midstream Partners. Mr. Rigby currently serves as a Director, Dominion Energy, Inc.; Director, Energy Insurance Mutual; and Director, Rutgers Board of Governors.

Proposal 1 Director Elections

Frank L. Sims

Skills and Qualifications:

- Director Sims' areas of expertise include corporate governance, enterprise leadership, risk assessment/management, and strategy formation/execution.
- Director Sims is a financial expert as defined by the SEC.

SJI Boards and Committees:

- Audit Committee
- Governance Committee
- Executive Committee
- Chairman of the Risk Committee

Age: 67

Director since: 2012

**Retired, Corporate Vice President
and Platform Leader, Cargill, Inc.,
Minneapolis, MN**

Mr. Sims served as the Corporate Vice President and Platform Leader at Cargill, Inc. from 2002 to 2007. He also served as Interim President for Fisk University from 2015 to 2017. Mr. Sims served as a board member for PolyMet Mining Co. from 2008 through July 2014 and for Piper Jaffray Co. from 2004 to June 2013.

The Board of Directors unanimously recommends a vote "FOR" each of the above nominees.

PROPOSAL 2 ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

The Company's executive compensation policies and procedures are designed to attract and retain highly qualified named executive officers while linking Company performance to named executive officer compensation. The Compensation Committee has a strong pay for performance philosophy; and, as a result, the compensation paid to our named executive officers is generally designed to be aligned with the Company's performance on both a short-term and a long-term basis. Our recent performance provides evidence that our executive compensation policies and procedures were effective in furthering these objectives. The financial performance in 2017 for SJI corporate results was below target, and therefore, the portion of the annual incentive plan payouts tied to SJI results was below target. SJI's recent stock performance has been below our peer group, and our long-term incentive plans for the performance cycle ended fiscal 2017 paid out well below target. Historically, our financial performance in 2015 was below threshold goals, resulting in annual incentive payouts well below target, while our financial performance in fiscal 2016 exceeded target goals, resulting in payouts above target. Further, our long-term incentive plan for the performance cycle ended fiscal 2015 did not payout, while the performance cycle ended fiscal 2016 paid out well below target.

For 2017, the executive compensation policies and procedures for our named executive officers consisted of three parts: base salary, annual incentive awards and long-term incentive compensation. The annual incentive awards and long-term incentive compensation were again directly linked to the achievement of predefined short-term and long-term performance as follows:

- Annual incentive awards are paid based on both Company and individual performance, tied to SJI core earnings, core earnings of subsidiaries, and individual goals.

- Long-term incentive compensation granted in 2017 consists of performance-based restricted stock and time-based restricted stock with a performance condition. Performance-based restricted stock is earned based on Company performance over a three-year period, measured by the Company's total shareholder return versus our peer group and economic earnings growth. Time-based restricted stock is subject to a return on equity performance condition to achieve tax deductibility under Section 162(m) of the Code.

These components of compensation for SJI's named executive officers provide the proper incentives to align compensation with the Company's performance while enhancing shareholder value. Specifically, if the Company's performance results meet or exceed

pre-established performance targets, named executive officers have an opportunity to realize significant additional compensation through annual incentive awards and long-term equity awards. In addition, the Company's stock ownership guidelines require our named executive officers to own shares of Company stock, which aligns with shareholder interests. We believe this pay for performance philosophy is integral to the Company's performance and will drive shareholder value over the long term.

Please see the "Compensation Discussion and Analysis" beginning on page 25 of this Proxy statement for a more detailed discussion of executive compensation policies and procedures for our named executive officers.

Pursuant to Section 14A(a)(1) of the Exchange Act, SJI is required to provide shareholders with a separate non-binding shareholder vote to approve the compensation of our named executive officers, including the "Compensation Discussion and Analysis", the compensation tables, and any other narrative disclosure in this Proxy statement. Such a proposal, commonly known as a "say-on-pay" proposal, gives shareholders the opportunity to endorse or not endorse our executive compensation policies and procedures as described in this Proxy statement. Shareholders may also abstain from voting.

Accordingly, shareholders are being asked to approve the following non-binding resolution:

“RESOLVED, that the compensation paid to the Company’s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion is hereby APPROVED.”

Because your vote is advisory, it will not be binding on the Board and may not be construed as overruling any decision by the Board. However, the Compensation Committee values the opinions expressed by shareholders and expects to take into account the outcome of the vote when considering future executive compensation decisions.

The Board of Directors unanimously recommends a vote “FOR” the non-binding resolution approving the compensation paid to the named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion.

PROPOSAL 3 Approval of an Amendment to our Certificate of Incorporation to Change our Name to SJI, Inc.

Our Board of Directors has approved, and recommends that you approve, an amendment to our certificate of incorporation to change the name of the Company from South Jersey Industries, Inc. to SJI, Inc. Our Board believes changing the Company's name to SJI, Inc. is in the best interest of the Company and its shareholders and that doing so will better reflect our current business operations as a public utility and energy services holding company. Our new name will not include the term "South Jersey" and will allow our non-regulated businesses to better market to prospective customers in markets across the United States, which plays a strategic role in the achievement of the Company's business objectives. In addition, the new name will allow for consistency with the growth of the Company's utility portfolio.

If the proposed amendment is approved, the first paragraph of our certificate of incorporation will be amended and restated in its entirety to read as follows:

"FIRST: The name of the corporation is SJI, Inc."

If approved by our shareholders, the proposed amendment will become effective upon the filing of articles of amendment to our certificate of incorporation with the New Jersey Secretary of State. Upon approval of this proposal and the filing of the articles of amendment with the Secretary of State of New Jersey, our Board of Directors will amend our bylaws to replace any references to "South Jersey Industries, Inc." with "SJI, Inc."

Our common stock is currently listed for trading on the New York Stock Exchange ("NYSE") under the symbol "SJI." Whether or not the amendment is approved and the name change becomes effective, our common stock will continue to be listed on the NYSE under the symbol "SJI".

If the name change becomes effective, the rights of shareholders holding certificated shares under currently outstanding stock certificates and the number of shares represented by those certificates will remain unchanged. The name will not affect the validity or transferability of any currently outstanding stock certificates nor will it be necessary for shareholders with certificated shares to surrender any stock certificates they currently hold as a result of the name change. After the name change, all new stock certificates issued by the Company and all uncertificated shares held in direct registration accounts, including uncertificated shares currently held in direct registration accounts, will bear the name "SJI, Inc."

If the name change is not approved, the proposed amendment to our certificate of incorporation will not be made and the name of the Company and our ticker symbol for trading our common stock on the NYSE will remain unchanged. In making this recommendation, our Board of Directors is retaining the ability to, without further vote by our shareholders, delay or abandon the proposed name change at any time if the Board concludes that such action would be in the best interest of the Company and our shareholders.

The proposal will be approved if the number of shares voted "FOR" this proposal represents a majority of the votes cast by the shareholders.

The Board of Directors unanimously recommends a vote FOR the amendment to our certificate of incorporation to change the name of the Company from South Jersey Industries, Inc. to SJI, Inc.

PROPOSAL 4 RATIFICATION OF INDEPENDENT ACCOUNTANTS

The Audit Committee and the Board of Directors, subject to the approval of the shareholders, reappointed Deloitte & Touche LLP, as the Company's independent registered public accounting firm for 2018. Unless otherwise directed, proxies will be voted "FOR" approval of this appointment. If the shareholders do not ratify this appointment by the affirmative vote of a majority of the votes cast at the meeting, other auditors will be considered by the Audit Committee.

Deloitte & Touche LLP served as the Company's independent registered public accounting firm during 2017. During 2017, the audit services performed for the Company consisted of audits of the Company's and its subsidiaries' financial statements and attestation of management's assessment of internal control, as required by the Sarbanes-Oxley Act of 2002, Section 404

and the preparation of various reports based on those audits, services related to filings with the Securities and Exchange Commission and the New York Stock Exchange, and audits of employee benefit plans as required by the Employee Retirement Income Security Act. A representative of Deloitte & Touche LLP is expected to be present at the Annual Meeting and will have the opportunity to make a statement, if such representative desires to do so, and to respond to appropriate questions from shareholders.

The Board of Directors unanimously recommends a vote "FOR" the ratification of the reappointment of Deloitte & Touche LLP, as the Independent Registered Public Accounting Firm.

SECURITY OWNERSHIP**Directors and Management**

The following table sets forth certain information with respect to the beneficial ownership of our common stock, as of February 28, 2018, of: (a) each current director and nominee for director;(b) our principal executive officer, principal financial officer, the

three other most highly compensated executive officers during 2017 [collectively, the “Named Executive Officers” (NEOs)]; and (c) all of the directors and executive officers as a group.

	Number of Shares of Common Stock (1)		Percent of Class
Sarah M. Barpoulis	20,974	(2)	*
Thomas A. Bracken	56,610	(2)	*
Keith S. Campbell	49,241	(2)	*
Stephen H. Clark	31,067		*
Steven R. Cocchi	1,630		*
Jeffrey E. DuBois	38,052		*
Victor A. Fortkiewicz	29,720	(2)	*
Sheila Hartnett-Devlin	18,568	(2)	*
Walter M. Higgins III	32,525	(2)	*
Sunita Holzer	23,966	(2)	*
Kenneth Lynch	8,938		*
Kathleen A. McEndy	9,980		*
Gregory M. Nuzzo	6,426		*
Melissa Orsen	0	(3)	
Michael J. Renna	67,915		*
Joseph M. Rigby	8,261	(2)	*
David Robbins, Jr.	28,481		*
Frank L. Sims	78,757	(2)	*
All directors, nominees for director and executive officers as a group (18 persons)	511,111		

* Less than 1%.

Based on information furnished by the Company’s directors and executive officers. Unless otherwise indicated, (1) each person has sole voting and dispositive power with respect to the Common Stock shown as owned by him or her.

(2) Includes shares awarded to each director under a Restricted Stock Program for directors.

(3) Elected as an Officer effective January 1, 2018.

Security Ownership

Stock Ownership Requirements

The Board of Directors believes significant ownership of Company Common Stock better aligns the interests of management with those of the Company's shareholders. Therefore, in 2001, the Board of Directors enacted the stock requirements listed below for officers which were effective through 2014 and were increased effective 2015 as outlined below and on page 37:

- The CEO stock ownership guideline is 5 times the CEO's annual base salary.

- All other executive officers are required to own shares of Company Common Stock with a market value equal to 2 times their annual salary. As of December 31, 2017, all NEOs are in compliance with the ownership guidelines.

- Other officers are required to own shares of Company Common Stock with a market value equal to their annual base salary;

Shares owned outright will be combined with vested restricted shares awarded under the Stock-Based Compensation Plan and vested shares beneficially owned through any employee benefit plan for purposes of determining compliance with the

stock ownership requirement for officers. Current officers will have a period of six years from the original date of adoption and newly elected or promoted officers will have a period of six years following their election or promotion to a new position to meet these minimum stock ownership requirements; and

Members of the Board of Directors are required, within six years of becoming a director of the Company or any of its principal subsidiaries, or within six years of an increase in the share ownership guidelines, to own shares of Company

- Common Stock with a market value equal to a minimum of five times the current value of a Director's annual cash retainer for board service. Shares owned outright will be combined with restricted shares awarded as part of the annual stock retainer for the purpose of meeting these requirements.

- A stock holding period was introduced in 2015 that requires all officers of the Company to retain at least 50 percent of vested and/or earned shares, net of taxes, until their new stock ownership guideline has been met.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, requires the Company's directors and executive officers to file reports with the SEC relating to their ownership of, and transactions in, the

Company's Common Stock. Based on our records and other information, the Company believes that all Section 16(a) filing requirements were met for 2017.

Security Ownership of Certain Beneficial Owners

The following table sets forth certain information, as of March 12, 2018, as to each person known to the Company, based on filings with the SEC, who beneficially owns 5 percent or more of the

Company's Common Stock. Based on filings made with the SEC, each shareholder named below has sole voting and investment power with respect to such shares.

Name and Address of Beneficial Owner	Shares Beneficially Owned	Percent of Class
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	10,184,899	12.8%
The Vanguard Group 100 Vanguard Blvd Malvern, PA 19355	7,820,779	9.83%

CORPORATE GOVERNANCE

The Board of Directors

Leadership Structure

Effective May 1, 2015, the Board of Directors decided to separate the Chairman and CEO roles, with Mr. Renna assuming the role of President and CEO, and Walter M. Higgins III, becoming the non-executive Chairman of SJI's Board of Directors.

In the role, Mr. Higgins:

- Provides leadership to the Board
- Chairs meetings of the Board of Directors
- Establishes procedures to govern the Board's work
- Ensures the Board's full discharge of its duties
- Schedules meetings of the full Board and works with the committee chairmen, CEO and Corporate Secretary for the schedule of meetings for committees
- Organizes and presents the agenda for regular or special Board meetings based on input from Directors, CEO and Corporate Secretary
- Ensures proper flow of information to the Board, reviewing adequacy and timing of documentary materials in support of management's proposals
- Ensures adequate lead time for effective study and discussion of business under consideration
- Helps the Board fulfill the goals it sets by assigning specific tasks to members of the Board
- Identifies guidelines for the conduct of the Directors, and ensures that each Director is making a significant contribution
- Acts as liaison between the Board and CEO
- Works with the Governance Committee and CEO, and ensures proper committee structure, including assignments and committee chairmen
- Sets and monitors the ethical tone of the Board of Directors
- Manages conflicts which may arise with respect to the Board
- Monitors how the Board functions and works together effectively
- Carries out other duties as requested by the CEO and Board as a whole, depending on need and circumstances
-

Serves as a resource to the CEO, Corporate Secretary and other Board members on corporate governance procedure and policies

Independence of Directors

The Board adopted Corporate Governance Guidelines that require the Board to be composed of a majority of Directors who are “Independent Directors” as defined by the rules of the New York Stock Exchange. No Director will be considered “Independent” unless the Board of Directors affirmatively determines that the Director has no material relationship with the Company. When making “Independence” determinations, the Board considers all relevant facts and circumstances, as well as any other facts and considerations specified by the New York Stock Exchange, by law or by any rule or regulation of any other regulatory body or self-regulatory body applicable to the Company. As part of its Corporate Governance Guidelines, the Board established a policy that Board members may not serve on more than four other

boards of publicly traded companies. SJI’s Corporate Governance Guidelines are available on our website at www.sjindustries.com under the heading “Investors”.

For 2017, the Board determined that Directors Barpoulis, Bracken, Campbell, Fortkiewicz, Hartnett-Devlin, Higgins, Holzer, Rigby, and Sims, constituting all of the non-employee Directors, meet the New York Stock Exchange standards and our own standards noted above for independence and are, therefore, considered to be Independent Directors. Accordingly, all but one of the Company’s Directors was considered to be “Independent.” Mr. Renna is not considered independent by virtue of his employment with the Company.

Codes of Conduct

The Company has adopted codes of conduct for all employees, Officers and Directors, which include the codes of ethics for our principal executive officer and principal financial officer within the meaning of the SEC regulations adopted pursuant to the Sarbanes-Oxley Act of 2002. Additionally, the Company established a hotline and website for employees to anonymously report suspected violations.

Copies of the codes of ethics are available on the Company’s website at www.sjindustries.com under Investors > Corporate Governance. Copies of our codes of conduct are also available at no cost to any shareholder who requests them in writing at South Jersey Industries, Inc., 1 South Jersey Plaza, Folsom, New Jersey 08037, Attention: Corporate Secretary.

Communication with Directors

You may communicate with the Chairman of the Board and chairmen of the Audit, Compensation, Corporate Responsibility Governance, Risk and Strategy & Finance Committees by sending an e-mail to chairmanoftheboard@sjindustries.com, auditchair@sjindustries.com, compchair@sjindustries.com,

govchair@sjindustries.com, corpresp@sjindustries.com, StratandFinChair@sjindustries.com or riskchair@sjindustries.com respectively, or you may communicate with our outside

Independent Directors as a group by sending an e-mail to sjirectors@sjindustries.com. The Charters and scope of responsibility for each of the Company's committees are located on the Company's website at www.sjindustries.com. You may also address any correspondence to the Chairman of the Board, chairmen of the committees or to the Independent Directors at South Jersey Industries, Inc., 1 South Jersey Plaza, Folsom, New Jersey 08037.

Corporate Governance

Corporate Governance Materials

Shareholders can see the Company’s Corporate Governance Guidelines and Profile, Charters of the Audit Committee, Compensation Committee, Corporate Responsibility Committee, Executive Committee, Governance Committee, Risk Committee, and Strategy & Finance Committee, and Codes of Ethics on the Company’s website at www.sjindustries.com under Investors

> Corporate Governance. Copies of these documents, as well as additional copies of this Proxy Statement, are available to shareholders without charge upon request to the Corporate Secretary at South Jersey Industries, Inc., 1 South Jersey Plaza, Folsom, New Jersey 08037.

Board Evaluation Process

The Governance Committee is responsible for implementing the Board Evaluation Process on an annual basis. The Governance Committee engages an independent, third-party facilitator and uses surveys and interviews to ensure robust feedback that can be used to enhance Board processes. The goal of the process is to gather input regarding Board composition and processes, and compliance with corporate governance best practices. Covered areas include essential aspects of Board leadership

and effectiveness, contribution of individual directors, overall group dynamics, and whether the experience and skillsets of the members are well aligned with SJI’s current and future strategic needs. In 2017, the process included the evaluation of the Board and its committees. In addition to the Directors, the Executive Officers participated in the process. The Governance Committee is responsible for implementing the recommendations generated from the evaluation results.

Meetings of the Board of Directors and its Committees

<p>The Board of Directors met 17 times in 2017.</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 2017, the Independent Directors met five times at the conclusion of 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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All current Board members and all nominees for election to the Company’s Board of Directors are required to attend the Company’s Annual Meetings of Shareholders unless unique personal circumstances affecting the Board member or

Director nominee make his or her attendance impracticable. All the Directors attended the 2017 Annual Meeting of Shareholders. During 2017, each of the Company's Directors also served on the Boards or Executive Committees of one or more of South Jersey Gas Company, South Jersey Energy Company, South

Jersey Energy Solutions, LLC, Marina Energy, LLC, South Jersey Resources Group, LLC, South Jersey Energy Service Plus, LLC, Energy & Minerals, Inc., R&T Group, Inc., and SJI Midstream, LLC, all of which are Company subsidiaries.

There are seven standing committees of the Board: the Audit Committee; the Compensation Committee; the Corporate Responsibility Committee; the Executive Committee; the Governance Committee; the Risk Committee and the Strategy & Finance Committee.

Audit Committee

The Board's Audit Committee, which met eight times during 2017, was comprised of six "Independent" Directors until April 21, 2017 and five thereafter: Sheila Hartnett-Devlin, Chairman until April 21, 2017; Sarah M. Barpoulis elected Chairman on April 21, 2017; Joseph H. Petrowski until April 21, 2017; Joseph M. Rigby; and Frank L. Sims. Walter M. Higgins III is an ex-officio member of the Audit Committee. The Board determined that no member of the Audit Committee has a material relationship that would jeopardize such member's ability to exercise independent judgment. The Board of Directors designated each member of the Audit Committee as an "audit committee financial expert" as defined by applicable Securities and Exchange Commission rules and regulations. The Audit Committee: (1) annually engages and evaluates an independent registered public accounting firm for appointment, subject to Board and shareholder approval, as auditors of the Company and has the authority to unilaterally retain, compensate and terminate the Company's independent

registered public accounting firm; (2) reviews with the independent registered public accounting firm the scope and results of each annual audit; (3) reviews with the independent registered public accounting firm, the Company's internal auditors and management, the quality and adequacy of the Company's internal controls and the internal audit function's organization, responsibilities, budget, and staffing; and (4) considers the possible effect on the objectivity and independence of the independent registered public accounting firm of any non-audit services to be rendered to the Company. The Audit Committee members meet in Executive Session with Internal Audit and the independent accounting firm at the end of each in-person meeting.

The Audit Committee is also responsible for reviewing the Company's major financial risk exposures and the steps Management has taken to monitor and control these exposures,

Corporate Governance

and reviewing the guidelines and policies that govern the process by which risk assessment and management is undertaken by the Board and Management.

The Audit Committee established policies and procedures for engaging the independent registered public accounting firm to provide audit and permitted non-audit services.

The Committee Charter is available on our website at www.sjindustries.com, under the heading “Investors”. You may obtain a copy by writing to the Corporate Secretary, South Jersey Industries Board of Directors, South Jersey Industries, Inc., 1 South Jersey Plaza, Folsom, New Jersey 08037.

Compensation Committee

The Board’s Compensation Committee, which met six times during 2017, was comprised of five “Independent” Directors in 2017: Keith S. Campbell, Chairman until April 21, 2017; Sheila Harnett-Devlin until April 21, 2017; Sunita Holzer elected Chairman on April 21, 2017; Joseph H. Petrowski until April 21, 2017; and Joseph M. Rigby effective April 21, 2017. Walter M. Higgins III is an ex-officio member of the Compensation Committee. The Compensation Committee carries out the responsibilities delegated by the Board

relating to the review and determination of executive compensation as well as the structure and performance of significant, long-term employee defined benefits and defined contribution plans.

The Committee’s Charter is available on our website at www.sjindustries.com under the heading “Investors” or you may obtain a copy by writing to the Corporate Secretary, South Jersey Industries Board of Directors, South Jersey Industries, Inc., 1 South Jersey Plaza, Folsom, New Jersey 08037.

Compensation Committee Interlocks and Insider Participation

No member of the Compensation Committee has ever been an Officer or employee of the Company, or any of its subsidiaries or affiliates. During the last fiscal year, none of the Company’s

Executive Officers served on a compensation committee or as a Director for any other publicly traded company.

Corporate Responsibility Committee

The Board’s Corporate Responsibility Committee, which met four times during 2017, was comprised of five “Independent” Directors: Victor A. Fortkiewicz, Chairman; Thomas A. Bracken, Keith S. Campbell, and Sunita Holzer.

Walter M. Higgins III is an ex-officio member of the Compensation Committee. The Committee provides oversight, monitoring and guidance of matters related to corporate and social citizenship, public and legal policy, environmental stewardship and compliance, political activities, sustainability, quality of work life, and economic and social vitality in the communities and markets in which the Company operates.

The Committee also oversees the production of the Company's annual Corporate Sustainability Report, which conveys how the Company links the business with sustainable practices. The 2017 report is available on our website at www.sjindustries.com or you may obtain a copy by writing to the Corporate Secretary, South Jersey Industries Board of Directors, South Jersey Industries, Inc., 1 South Jersey Plaza, Folsom, New Jersey 08037.

The Committee's Charter is available on our website at www.sjindustries.com under the heading "Investors" or you may obtain a copy by writing to the Corporate Secretary, South Jersey Industries Board of Directors, South Jersey Industries, Inc., 1 South Jersey Plaza, Folsom, New Jersey 08037.

Governance Committee

The Board's Governance Committee, which met six times during 2017, was comprised of six "Independent" Directors from January 2017 until April 21, 2017, and five Independent Directors thereafter: Thomas A. Bracken, Chairman; Sarah M. Barpoulis until April 21, 2017; Victor A. Fortkiewicz; Sheila Hartnett-Devlin elected April 21, 2017; Joseph M. Rigby until April 21, 2017 and Frank L. Sims. Walter M. Higgins III is an ex-officio member of the Compensation Committee. Each Committee member satisfies the New York Stock Exchange's independence requirements. Among its functions, the Governance Committee: (1) maintains a list of prospective candidates for Director, including those recommended by shareholders; (2) reviews the qualifications of candidates for Director (to review minimum qualifications for Director candidates, please see the Company's Corporate Guidelines available on our website at www.sjindustries.com under the heading "Investors"). These guidelines include consideration of education, experience, judgment, diversity and other applicable and relevant skills as determined by an assessment of the Board's needs when an opening exists); (3) makes recommendations to the Board of Directors to fill vacancies and for nominees for election to be voted on by the shareholders; and (4) is responsible for monitoring the implementation of the Company's Corporate Governance Policy.

The Governance Committee reviews with the Board on an annual basis the appropriate skills and characteristics required of Board members in the context of the current Board make-up and the Company's strategic forecast. This assessment includes issues of industry experience, education, general business and leadership experience, judgment, diversity, age, and other applicable and relevant skills as determined by an assessment of the Board's needs. The diversity assessment includes a review of Board composition with regard to race, gender, age and geography.

The Governance Committee will consider nominees for the Board of Directors recommended by shareholders and submitted in compliance with the Company's bylaws, in writing, to the Corporate Secretary of the Company. Any shareholder wishing to propose a nominee should submit a recommendation in writing to the Company's Corporate Secretary at 1 South Jersey Plaza, Folsom, New Jersey 08037, indicating the nominee's qualifications and other relevant biographical information and providing confirmation of the nominee's consent to serve as a Director.

The Committee's Charter is available on our website at www.sjindustries.com under the heading "Investors" or you may obtain a copy by writing to the Corporate Secretary, South Jersey Industries Board of Directors, South Jersey Industries, Inc., 1 South Jersey Plaza, Folsom, New Jersey 08037.

Corporate Governance

Executive Committee

The Board's Executive Committee met one time in 2017. Until April 21, 2017 it was comprised of the Chairman of the SJI Board, Chairmen of the subsidiary Boards, Committee Chairs and was chaired by the Chairman of the Board. Thereafter the committee is comprised of the Chairman of the Board, the CEO and the Chairs of the Audit, Compensation, Governance and Risk Committees. The current members are: Walter M. Higgins III, Chairman; Michael J. Renna; Sarah M. Barpoulis; Thomas A. Bracken; Sunita Holzer; and Frank L. Sims. The Executive Committee acts as directed by or on behalf of the Board of Directors during intervals between the meetings of the Board of Directors in the event a quorum of the Board is not available and, if at the discretion of the Chairman of the Board, immediate action is needed. The Committee also: reviews and investigates other matters as

directed by the Board of Directors; reviews and recommends to the Board the organizational structure of the Company; reviews and recommends to the Board the Officers of the Company and its direct subsidiaries; reviews and recommends to the Board the composition and leadership of the Management Risk and Trust committees; monitors and/or implements the review or investigation of matters related to or involving the Company's Officers; and takes action on such matters delegated to the Committee by the Board.

The Committee's Charter is available on our website at www.sjindustries.com under the heading "Investors" or you may obtain a copy by writing to the Corporate Secretary, South Jersey Industries Board of Directors, South Jersey Industries, Inc., 1 South Jersey Plaza, Folsom, New Jersey 08037.

Risk Management Committee

In April 2017, the Board formed the Risk Committee, which met twice in 2017. In 2017, the committee was comprised of five "Independent" directors: Frank L. Sims, Chairman; Keith S. Campbell; Victor A. Fortkiewicz; and Sunita Holzer. Walter M. Higgins III is an ex-officio member of the Compensation Committee. The purpose of the Risk Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with regard to the risks inherent in the business of SJI and the control processes with respect to such risks.

The Risk Committee monitors major strategic risks and the potential impact on the execution of the Company's strategic plans, and oversees and reviews the Company's risk assessment process, and risk management strategy and programs. The committee also analyzes the guidelines and policies that management uses to assess and manage exposure to risk, and analyzes major financial risk exposures and the steps management has taken to monitor and control such exposure. The Committee presents its findings to the full Board, which is charged with approving the Company's risk appetite.

At each Risk Committee meeting, management presents an update of the Company's risk management activities. The Company has two internal Risk Committees that report to the Risk Committee at least quarterly. The SJI Risk Management

Committee (RMC), established 1998, is responsible for overseeing the energy transactions and the related risks for all of the SJI companies. Annually, the Board approves the RMC members. Committee members include management from key Company areas such as finance, risk management, legal and business operations.

The RMC establishes a general framework for measuring and monitoring business risks related to both financial and physical energy transactions, approves all methodologies used in risk measurement, ensures that objective and independent controls are in place, and presents reports to the Board Risk Committee reflecting risk management activity.

A South Jersey Gas Company RMC is responsible for gas supply risk management. Annually, the Board approves the RMC members. Committee members include management from key Company areas such as finance, risk management, legal and gas supply. This RMC meets at least quarterly.

The Committee's Charter is available on our website at www.sjindustries.com under the heading "Investors" or you may obtain a copy by writing to the Corporate Secretary, South Jersey Industries Board of Directors, South Jersey Industries, Inc., 1 South Jersey Plaza, Folsom, New Jersey 08037.

Strategy & Finance Committee

In April 2017, the Board formed the Strategy & Finance Committee, which met six times in 2017. In 2017, the committee was comprised of five "Independent" directors: Joseph M. Rigby, Chairman; Sarah M. Barpoulis; Thomas A. Bracken; and Sheila Hartnett-Devlin. Walter M. Higgins III is an ex-officio member of the Compensation Committee. The purpose of the Strategy & Finance Committee is to assist the Board of Directors in fulfilling its oversight of the Company's strategic, financial and financing plans.

The Strategy & Finance Committee provides input and support to Management in the development of the Company's long-term strategic, operating, capital and financing plans.

The Committee's Charter is available on our website at www.sjindustries.com under the heading "Investors" or you may obtain a copy by writing to the Corporate Secretary, South Jersey Industries Board of Directors, South Jersey Industries, Inc., 1 South Jersey Plaza, Folsom, New Jersey 08037.

Corporate Governance

Risk Allocation

The Board has allocated its risk oversight duties as follows:

Risk Areas

Corporate:

- Strategic and Financing
- Enterprise Wide Risk Management
- Major Financial Risk Exposures

Operational:

- Markets/Competition
- Counterparty/Customer Receivables
- Regulatory/Legislative
- Supplier
- Operations
- Capital Allocation/Requirements
- Information Technology

Financial:

- Guidelines and Policies for Risk Assessment and Management
- Major Financial Risk
- Financial Reporting
- Financial Disclosure
- Financial Controls
- Accounting/Taxes

Corporate Responsibility:

- Legal
- Ethical
- Corporate Image
- Environmental
- Safety

Compensation

- Compensation Program
- Retirement Plans

Board Responsibility

Strategy & Finance Committee

Risk Committee

Audit Committee

Risk Committee

Audit Committee

Corporate Responsibility Committee

Compensation Committee

Corporate Governance

Audit Committee Report

The Board's Audit Committee comprises four directors, each of whom is independent as defined under the listing standards of the New York Stock Exchange and satisfies the additional independence criteria applicable to Audit Committee members, and the Chairman of the Board of Directors, as an Ex Officio member. The Board has determined that each member of the Committee is an "audit committee financial expert" as defined by the rules of the Securities and Exchange Commission. The Audit Committee's activities and scope of its responsibilities are set forth in a written charter adopted by the Board, and is posted on the Company's website at www.sjindustries.com under the heading "Investors".

In accordance with its Charter adopted by the Board of Directors, the Audit Committee, among other things, assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the Company's accounting, auditing and financial reporting practices. Management is responsible for preparing the Company's financial statements and for assessing the effectiveness of the Company's internal control over financial reporting. The independent registered public accounting firm is responsible for examining those financial statements and management's assessment of the effectiveness of the Company's internal control over financial reporting. The Audit Committee reviewed the Company's audited financial statements for the fiscal year ended December 31, 2017, and management's assessment of the effectiveness of the Company's internal control over financial reporting with management and with Deloitte & Touche LLP, the Company's independent registered public accounting firm. The Audit Committee discussed with the independent registered public

accounting firm all communications required by generally accepted auditing standards, including those described in the Statement on Auditing Standards No. 61 (AICPA Professional Standards, Vol. 1. AU section 380), as amended, and "Communication with Audit Committees," as adopted by the Public Company Accounting Oversight Board (PCAOB) in Rule 3200T. The Audit Committee also received written disclosures from Deloitte & Touche LLP regarding its independence from the Company that satisfy applicable PCAOB requirements for independent accountant communications with audit committees concerning auditor independence, and discussed with Deloitte & Touche LLP the independence of that firm.

Based on the above-mentioned review and discussions with management and the independent registered public accounting firm, the Audit Committee recommended to the Board that the Company's audited financial statements and management assessment of the effectiveness of the Company's internal controls over financial reporting be included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2017, for filing with the Securities and Exchange Commission.

Audit Committee

Sarah M. Barpoulis, Chairman
Walter M. Higgins III, Ex Officio Member

Sheila Hartnett-Devlin
Joseph M. Rigby
Frank L. Sims

Corporate Governance

Fees Paid to the Independent Registered Public Accounting Firm

As part of its duties, the Audit Committee also considered whether the provision of services other than the audit services by the independent registered public accountants to the Company is compatible with maintaining the accountants' independence. In accordance with its charter, the Audit Committee must pre-approve all services provided by Deloitte & Touche LLP. The Audit Committee discussed these services with the independent registered public accounting firm and Company management to

determine that they are permitted under the rules and regulations concerning auditor independence promulgated by the U.S. Securities and Exchange Commission to implement the Sarbanes-Oxley Act of 2002, as well as the American Institute of Certified Public Accountants.

The fees for all services provided by the independent registered public accounting firm to the Company during 2017 and 2016 are as follows:

FY 2017		FY 2016		
Audit Fees (a)		\$2,270,100	Audit Fees (a)	\$2,022,618
Fees per Engagement Letter	1,940,000		Fees per Engagement Letter	1,850,000
FY 2016 Audit true up billed	100,000		FY 2015 Audit true up billed	—
Audit work related to 2017 non-routine events	230,100		Audit work related to 2016 non-routine events	172,618
Audit-Related Fees (b)	—		Audit-Related Fees (b)	—
Tax Fees (c)	242,000		Tax Fees (c)	219,289
Tax Compliance	135,000		Tax Compliance	150,525
Fees related to tangible property regulations phase II (phase I & II)	65,000		Fees related to tangible property regulations phase II (phase I & II)	17,142
Other tax advisory services	42,000		Other tax advisory services	51,622
All Other Fees			All Other Fees	
Total		\$2,512,100	Total	\$2,241,907

Fees for audit services billed or expected to be billed relating to fiscal 2017 and 2016 include audits of the Company's annual financial statements, evaluation and reporting on the effectiveness of the Company's internal controls over financial reporting, reviews of the Company's quarterly financial statements, comfort letters, consents and other services related to Securities and Exchange Commission matters.

(a) SJI did not incur any fees for audit-related services during fiscal 2017 and 2016.

Fees for tax services provided during fiscal 2017 and 2016 consisted of tax compliance and compliance-related research. Tax compliance services are services rendered based upon facts already in existence or transactions that have already occurred to document, compute, and obtain government approval for amounts to be included in tax filings and Federal, state and local income tax return assistance.

Corporate Governance

Compensation of Directors

Since 2011, the Board has engaged Frederic W. Cook (Cook) as its consultant to review the Company’s Director Compensation Program (Program) to ensure that the Board attracts and retains highly qualified Directors. Each year, Cook evaluates total compensation and the structure of the Program.

For the 2016 study, reference points were the Director compensation for the following peer companies, consistent with the group used to assess the competitiveness of the Executive Compensation Program: Avista Corp., Black Hills Corp., New Jersey Resources Corp., Northwestern Corp., Northwest Natural Gas Co., One Gas, Inc., Piedmont Natural Gas Co., Questar Corp., Southwest Gas Corp., Spire, Inc., Vectren Corp. and WGL Holdings Inc. In a study presented in November 2016, Cook found as follows:

- On a “per Director” basis, the program approximated the median of peer group practice (-2%) and the National Association of Corporate Director general industry practice (+12%).

- Cash and equity compensation were between the 25th percentile and the median.

- Significant changes to Director compensation levels were not warranted; however, the Board could consider an increase to the restricted stock unit grant in anticipation of market movement.

- The design of the Program was generally consistent with peer company policy.

The Program design strongly supports the long-term shareholder alignment objective through use of restricted stock units as the sole equity grant type and director stock ownership guidelines and the ownership guideline of five times the cash retainer of \$60,000 was aligned with the peer group median.

- The use of additional retainers recognizes responsibilities and the time commitment associated with serving as Non-Executive Chairman or chairing a committee.

- The value of SJI’s Non-Executive Chairman and committee chairmen retainers are aligned with peer group median to 75th percentile practice.

Based on Cook’s findings and recommendations, in 2017 the Company paid non-employee Directors as follows:

I. Compensation: Non – Employee Directors

A. Board Service

1. Cash -	Annual Retainer for Board and Committee Service	\$75,000
2.	Restricted Stock – SJI shares with a total value of \$90,000 awarded annually in January. The value of the shares is based on the daily average share price for the period July 1 through December 31 of the prior year.	
3.	Independent Subsidiary Chairman Retainer – Annual Retainer (payable monthly):	\$8,000
4.	Non-Executive Chairman	\$80,000

(Payable 50% shares; 50% cash retainer, payable monthly)

B. Committee Service

1. Annual Committee Chairman Retainers (payable monthly):

Audit	\$15,000
Compensation	\$10,000
Governance	\$7,500
Corp. Resp.	\$7,500
Risk	\$ 7,500
Strategy & Finance	\$ 7,500

2. Meeting Fee: \$1,500 for each Audit Committee meeting in excess of four meetings per year. \$1,500 for each Compensation Committee, Corporate Responsibility Committee, Governance Committee, Risk Committee, or Strategy & Finance meeting in excess of four meetings per year.

3. Ad Hoc Committees: In the event a Committee is formed for a special project; the Committee members will be paid \$1,500 per meeting and the Chairman will be paid a retainer in an amount approved by the Board of Directors.

II. Other Benefits & Items

A. \$50,000 Group Life Insurance*

B. \$250,000 24 Hr. Accident Protection Insurance (applies to travel to or from, or conducting business for SJI)

C. Restricted Stock Deferral Plan

D. D&O Insurance - \$50 Million w/\$15 Million "Side A" Coverage
 No Deductible for D&O
 \$200,000 Deductible for Corporation