

MIDDLESEX WATER CO
Form DEF 14A
April 12, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant 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 Pursuant to §240.14a-12

Middlesex Water Company

(Name of Registrant as Specified In Its Charter)

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

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

April 7, 2016

Dear Shareholder:

I am pleased to invite you to attend the Annual Meeting of Shareholders (the “Annual Meeting”) of Middlesex Water Company which will be held at our offices located at 1500 Ronson Road, Iselin, New Jersey 08830 on Tuesday, May 24, 2016 at 11:00 a.m. Eastern Daylight Time. The accompanying formal Notice of Annual Meeting and Proxy Statement set forth the details regarding admission to the Annual Meeting, directions, as well as the business to be conducted.

The Proxy Statement contains three proposals recommended by our Board for adoption: 1) the election of four Directors, 2) a non-binding advisory vote to approve named executive officer compensation, and 3) the ratification of the Audit Committee’s appointment of Baker Tilly Virchow Krause, LLP as the Company’s independent registered public accounting firm for 2016. The Board encourages you to vote FOR each of these proposals. In addition to the specific matters subject to your vote, management will report on Company activities. We welcome this opportunity to meet with our shareholders and look forward to your comments and questions.

Instructions for voting are found in this Proxy Statement and are contained on the proxy or voting instruction card. It is important that your shares be represented and voted, regardless of the size of your holdings. Whether or not you plan to attend the Annual Meeting, I encourage you to vote your shares in advance of the meeting using any one of the convenient methods described.

On behalf of the Board, I appreciate your continued support of Middlesex Water Company. I look forward to seeing you at the Annual Meeting.

Sincerely,

Dennis W. Doll
Chairman

A Provider of Water, Wastewater and Related Products and Services

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YOUR VOTE IS IMPORTANT

We urge you to vote using telephone or internet voting, if available to you, or if you received these proxy materials by U.S. mail, by completing, signing, dating and returning the enclosed proxy card promptly. If voting by phone, please call the toll-free number found on your Notice on Internet Availability of Proxy Materials (“NOIA”) or on your proxy card. To vote via the Internet, please visit the website shown on your NOIA (www.proxyvote.com) Shareholders are invited to view the Investor Relations section of our website at www.MiddlesexWater.com and the following website www.proxyvote.com until 11:59 pm Eastern Daylight Time on May 23, 2016 to transmit voting instructions. (Shareholders will need the 12-digit control number from the proxy card or NOIA to view proxy materials at www.proxyvote.com).

Shareholders of record may deliver their completed proxy card in person at the Annual Meeting or by completing a ballot available upon request at the Annual Meeting. Please note that if you are a beneficial owner whose shares are held in the name of a bank, broker or other nominee, you must obtain a legal proxy, executed in your favor, from the shareholder of record (that is, your bank, broker or nominee) to be able to vote at the Annual Meeting. Beneficial owners of shares of Common Stock held in street name through a bank or brokerage account should follow the voting instructions enclosed with their proxy materials.

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS AND PROXY STATEMENT

TUESDAY, MAY 24, 2016—Annual Meeting

Middlesex Water Company
1500 Ronson Road
Iselin, New Jersey 08830

Middlesex Water Company's Annual Meeting of Shareholders (the "Annual Meeting") will be held at the Company's headquarters, 1500 Ronson Road, Iselin, New Jersey on Tuesday, May 24, 2016 at 11:00 a.m. (Eastern Daylight Time). Directions to our headquarters can be found on the back cover of the Proxy Statement. At the Annual Meeting, shareholders will be asked to:

1. Elect the following Directors (See page 7):

Kim C. Hanemann, Amy B. Mansue, Steven M. Klein, Walter G. Reinhard

2. Approve, by non-binding advisory vote, the compensation of our named executive officers; (See page 25).

3. Ratify the appointment of Baker Tilly Virchow Krause, LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2016; (See page 27)

4. We may also transact such other business that may properly come before the Annual Meeting or any postponement or adjournment thereof.

The Board of Directors (the "Board") has fixed the close of business on March 28, 2016 as the record date for the determination of the shareholders entitled to notice of, and to vote at, the Annual Meeting. Please note that in the absence of specific instructions as to how to vote, brokers may not vote your shares on the election of Directors or the non-binding proposal regarding the compensation of our executive officers. Please return your proxy card so your vote can be counted.

This year, we are again using the U.S. Securities and Exchange Commission's Notice and Access Model ("Notice and Access") which allows us to deliver proxy materials via the Internet, as the primary means of furnishing proxy materials. We believe Notice and Access provides shareholders with a convenient method to access the proxy materials and vote, reduces the costs of printing and distributing proxy materials, and allows us to conserve natural resources in alignment with our role as an environmental steward. On or about April 7, 2016, we will mail a Notice of Internet Availability of Proxy Materials ("NOIA") containing instructions on how to access our proxy statement and our 2015 Annual Report online and how to vote via the Internet. The NOIA also contains instructions on how to receive a paper copy of the proxy materials and our 2015 Annual Report.

Iselin, New Jersey By Order of the Board,

April 7, 2016

Jay L. Kooper

Vice President, General Counsel and Secretary

Middlesex Water Company

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PROXY STATEMENT

PROXY STATEMENT SUMMARY

This summary highlights information contained elsewhere in this Proxy Statement. It does not contain all of the information you should consider. You should read the entire Proxy Statement prior to voting. Our Proxy Statement and other proxy materials are first being made available to our shareholders on or about April 7, 2016.

General Information (See Pages 3 To 5)

Meeting: Annual Meeting of Shareholders

Meeting Date: Tuesday, May 24, 2016

Time: 11.a.m. Eastern Daylight Time

Location: 1500 Ronson Road, Iselin, New Jersey

Record Date: March 28, 2016

Common Stock Outstanding: 16,240,167

Transfer Agent: Broadridge Financial Services

Stock Symbol: MSEX

Exchange: Nasdaq

State of Incorporation: New Jersey

Year of Incorporation: 1897

Corporate Website: www.MiddlesexWater.com

Shareholder Service Website: www.shareholder.broadridge.com/middlesexwater

Corporate Governance: See Pages 10 To 15)

Four Director Nominees for Election:

Kim C. Hanemann, Class I, Term: 2 Years

Amy B. Mansue, Class II, Term: 3 Years

Steven M. Klein, Class II, Term: 3 Years

Walter G. Reinhard, Class II, Term: 3 Years

Director Election: Plurality of Votes Cast

The Board recommends a vote “FOR” each of the Director nominees.

Director Attendance at 2015 Annual Meeting: 100%

Board Meetings in 2015: 12

Director Attendance at Board Meetings: 96%

Standing Board Committees (Meetings in 2015): 17

Audit Committee (4)

Compensation Committee (2)

Corporate Governance Committee (4)

Nominating: (2)

Pension (5)

Ad Hoc Pricing Committee (0)

Corporate Governance Materials:

www.MiddlesexWater.com

Board Communication:

Middlesex Water Company

Attn.: Corporate Secretary

1500 Ronson Road

Iselin, New Jersey 08830

Executive Compensation: (See Pages 17 To 24)

CEO: Dennis W. Doll (CEO Since 2006)

CEO 2015 Compensation:

Salary: \$485,802

Long Term Equity Award: \$271,936

All other Compensation: \$47,391

Total Compensation: \$891,173

Pay for Performance: Yes

Stock Ownership Guidelines: Yes

Clawback Policy: Yes

No Hedging Policy: Yes

Other Items to be Voted On (See Pages 25 To 27)

- Non-binding Advisory vote to Approve Executive Compensation
- Ratification of Appointment of Independent Registered Public Accounting Firm

The Board recommends a vote **“FOR”** each of these two items.

Middlesex Water Company

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GENERAL INFORMATION

1. What is the purpose of the meeting?

At the Annual Meeting of Shareholders (the “Annual Meeting”), shareholders of the Company will consider and vote upon three proposals:

Election of four (4) Directors.

A non-binding advisory vote to approve named executive officer compensation.

Ratification of the appointment of Baker Tilly Virchow Krause, LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2016.

Shareholders may also vote upon such other matters as may properly come before the Annual Meeting or any postponement or adjournment thereof.

2. Why am I receiving these proxy materials?

We are furnishing you these proxy materials in connection with the solicitation of proxies on behalf of our Board for use at the Annual Meeting. This Proxy Statement includes information we are required to provide under U.S. Securities and Exchange Commission (“SEC”) rules and is designed to assist you in voting your shares.

3. How can I get electronic access to the proxy materials?

The Notice of Internet Availability (“NOIA”) will provide you with instructions how to: 1) view on the Internet our proxy materials for the Annual Meeting; and 2) instruct us to send proxy materials to you by mail. The proxy materials are also available on our website at www.MiddlesexWater.com under the “Investor Relations” tab. Information on our website does not constitute part of this Proxy Statement.

4. What is a proxy?

A proxy is your legal designation of another person to vote the stock you own. If you designate someone as your proxy or proxy holder in a written document, that document is called a proxy or a proxy card. James F. Cosgrove and Jeffries Shein have been designated as proxies or proxy holders for the Annual Meeting. Proxies properly executed and received by our Corporate Secretary prior to the Annual Meeting, and not revoked, will be voted in accordance with the terms thereof.

5. How are other proxy materials being furnished?

Under rules adopted by the SEC, we have chosen to furnish our proxy materials to our shareholders over the Internet and to provide a NOIA of proxy materials by mail, rather than mailing a full set of the printed proxy materials. As a result, the Company is able to reduce printing and postage costs, as well as minimize adverse impact on the environment and help preserve our natural resources. If you receive a NOIA, you will not receive a printed copy of our proxy materials in the mail unless you request them by following the instructions provided in the NOIA. Instead, the NOIA instructs you how to access and review all of the information contained in the Proxy Statement and Annual Report to Shareholders. The NOIA also explains how you may submit your proxy over the Internet. If you would like to receive a printed copy of our proxy materials, you should follow the instructions in the NOIA.

6. Who is entitled to vote at the Annual Meeting?

Shareholders of record at the close of business on March 28, 2016, which we refer to as the Record Date, (the “Record Date”) are entitled to notice of, and to vote at, the Annual Meeting. On the Record Date, we had 16,240,167 shares of Middlesex Water Company (“Common Stock”) issued and outstanding, each entitled to one vote. A complete list of the shareholders entitled to vote at the Annual Meeting will be available for examination by any shareholder of record at our offices at 1500 Ronson Road, Iselin, NJ 08830 for a period of 10 days prior to the Annual Meeting. The list will also be available for examination by any shareholder of record at the Annual Meeting.

7. What is the difference between holding shares as a shareholder of record and as a beneficial owner holding shares in “street name”?

You are a “Shareholder of Record” if, at the close of business on the Record Date, your shares were registered directly in your name with Broadridge Corporate Issuer Solutions, Inc. (“Broadridge”), our transfer agent. You are a beneficial owner if, at the close of business on the Record Date, your shares were held by a brokerage firm or other nominee and not in your name. Being a beneficial owner means that your shares are held in “street name.” As the beneficial owner, you have the right to direct your broker or nominee how to vote your shares by following the voting instructions your broker or nominee provides.

8. How will my shares be voted if I do not vote or if I have not provided instructions to my broker?

All shares that have been properly voted, whether by Internet, telephone or U.S. mail, and not revoked, will be voted at the Annual Meeting in accordance with your instructions. If you are a shareholder of record and you do not vote by proxy card, by telephone, via the Internet or in person at the Annual Meeting, your shares will not be voted at the Annual Meeting. If you sign your proxy card but do not give voting instructions, the shares represented by that proxy will be voted as recommended by the Board.

If any other matters are properly presented at the Annual Meeting for consideration and if you have voted your shares by Internet, telephone or mail, the persons named as proxies in the proxy card will have the discretion to vote on those registered matters for you.

If you are the beneficial owner and you do not direct your broker or nominee how to vote your shares, your broker or nominee may vote your shares on only those proposals for which it has discretion to vote.

Please note that under the rules of the Nasdaq Stock Market (“Nasdaq”) your bank, broker or other nominee may not vote your shares with respect to matters considered non-routine (Proposals 1 and 2). Proposal 3, the ratification of our auditor is a routine matter on which brokers and nominees can vote on behalf of their clients if clients do not furnish voting instructions.

9. How many votes must be present to hold the Meeting?

In order for the Annual Meeting to be conducted, a majority of the outstanding shares of Common Stock as of the Record Date must be present in person or represented by proxy at the Annual Meeting. This is referred to as a quorum.

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10. What is the vote required for each proposal and what are my voting choices?

| Proposal | Vote Required | Broker Discretionary Vote Allowed |
|--|---|-----------------------------------|
| Proposal 1 - Election of four Directors | Plurality of votes cast | No |
| Proposal 2 - Advisory vote on executive compensation | Majority of the shares entitled to vote and present or represented by proxy | No |
| Proposal 3 - Ratification of auditors for 2016 | Majority of the shares entitled to vote and present or represented by proxy | Yes |

With respect to Proposal 1, the election of Directors, you may vote FOR ALL, WITHHOLD ALL or FOR ALL Except and indicate any nominee for which you withhold authority to vote. Directors are elected by a plurality of votes cast by shareholders present in person or represented by proxy at the Annual Meeting, and entitled to vote on the election of Directors. With respect to Proposals 2 and 3, (or any other matter to be voted at the Annual Meeting), you may vote FOR, AGAINST or ABSTAIN. The approval of the non-binding advisory vote regarding the compensation of our named executive officers (Proposal 2) requires that the votes cast in favor of the proposal exceed the number of votes cast against the proposal.

The ratification of the appointment by the Audit Committee of Baker Tilly Virchow Krause, LLP (Proposal 3) requires that the votes cast in favor of the ratification exceed the number of votes opposing the ratification.

11. How does the Board recommend that I vote?

The Board recommends that you vote:

- **FOR** the election of the four Directors nominated by the Board and named in this Proxy Statement;
- **FOR** the approval, on a non-binding advisory basis, of the compensation of our named executive officers; and
- **FOR** the ratification of the appointment of Baker Tilly Virchow Krause, LLP our independent registered public accounting firm for the fiscal year ending December 31, 2016.

12. How are abstentions and broker non-votes counted?

For purposes of determining the votes cast with respect to any matter presented for consideration at the Annual Meeting, only those votes cast “for” or “against” are included. As described above, where brokers do not have discretion to vote or did not exercise such discretion, the inability or failure to vote is referred to as a “broker non-vote.” Proxies marked as abstaining, and any proxies returned by brokers as “non-votes” on behalf of shares held in street name because beneficial owners’ discretion has been withheld as to one or more matters to be acted upon at the Annual Meeting, will be treated as present for purposes of determining whether a quorum is present at the Annual Meeting. Broker non-votes and withheld votes will not be included in the vote total for the proposal to elect the nominees for Director and will not affect the outcome of the vote for these proposals. In addition, under New Jersey corporation law, abstentions are not counted as votes cast on a proposal. Therefore, abstentions and broker non-votes will not count either in favor of or against the nonbinding advisory proposal regarding the approval of the compensation of our named executive officers, or the ratification of the appointment of Baker Tilly Virchow Krause, LLP.

13. May I revoke my proxy or change my vote?

Yes. You may revoke a proxy you have given at any time before it is voted at the Annual Meeting by: (1) submitting to our Corporate Secretary a letter revoking the proxy, which the Secretary must receive prior to the Annual Meeting, or (2) attending the Annual Meeting and voting in person. Attendance at the Annual Meeting will not by itself revoke a previously granted proxy, unless you specifically request it. You may change your proxy instructions for shares in “street name” by submitting new voting instructions to your broker or nominee.

14. Who will count the vote?

Votes will be counted by representatives of Broadridge who will tally the votes and certify the results.

15. Who can attend the Annual Meeting?

All shareholders of record as of the close of business on March 28, 2016 can attend the Annual Meeting. Seating, however, is limited. Attendance at the Annual Meeting will be on a first arrival basis. Shareholders are not permitted to bring cameras or recording devices to the Annual Meeting.

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16. Will there be a management presentation at the Annual Meeting?

Management will give a brief presentation during the meeting.

17. When are shareholder proposals due for the 2017 Annual Meeting?

To be considered for inclusion in our Proxy Statement mailed in 2017, shareholder proposals must be received at our executive offices on or before December 12, 2016. Shareholder proposals should be directed to the Corporate Secretary at Middlesex Water Company, 1500 Ronson Road, P.O. Box 1500, Iselin, New Jersey 08830-0452,

18. Where can I find the voting results of the Annual Meeting of Shareholders?

We will announce preliminary results at the Annual Meeting. We will issue final results in a press release and in a current report on Form 8-K that we will file with the SEC on or about May 25, 2016.

19. How can I participate in householding of Annual Meeting materials?

The SEC rules permit us, with your permission, to deliver a single Proxy Statement and annual report to any household at which two or more shareholders of record reside at the same address. Each shareholder will continue to receive a separate proxy card. This procedure, known as “householding” reduces the volume of duplicate information and reduces our expenses. Once given, a shareholder’s consent will remain in effect until they revoke it by notifying our Corporate Secretary as described above. If you revoke your consent, we will begin sending you individual copies of future mailings of these documents within 30 days after we receive your revocation notice. Shareholders of record who elect to participate in householding may also request a separate copy of future Proxy Statements and annual reports by contacting our Corporate Secretary in writing at Office of the Corporate Secretary, Middlesex Water Company, 1500 Ronson Road, P.O. Box 1500, Iselin, New Jersey 08830-0452.

Separate Copies for Beneficial Owners

Institutions that hold shares in street name for two or more beneficial owners with the same address are permitted to deliver a single Proxy Statement and Annual Report to that address. Any such beneficial owner can request a separate copy of this Proxy Statement or the Annual Report on Form 10-K by contacting our Corporate Secretary as described above. Beneficial owners with the same address who receive more than one Proxy Statement and Annual Report on Form 10-K may request delivery of a single Proxy Statement and Annual Report on Form 10-K by contacting our Corporate Secretary as described above.

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The Board is elected by shareholders to oversee their interest in the overall success of our business. Board members are divided into three classes with staggered three-year terms of office. The Corporate Governance & Nominating Committee periodically reviews the efficacy of declassifying the Board. This matter was last presented to the full Board for evaluation in 2015. Upon thorough discussion, the Board concluded that maintaining its present classification structure with three classes of Directors with as nearly equal number of members as practicable, provides for the most effective continuance of the knowledge and experience gained by members of the Board and that maintaining the current Board classification structure serves the best interests of shareholders.

Election of Directors (Proposal No. 1)

Middlesex Water Company has eight Directors on its Board. The following Table provides summary information about each Director nominee standing for re-election to the Board. Additional information for all our Directors, include the nominees, may be found beginning on page 7.

| Name | Age | Director Since | Principal Occupation | Independent | Committee Memberships | Experience and Skills |
|--------------------|-----|----------------|---|-------------|--|--|
| Kim C. Hanemann | 52 | 2016 | Sr. Vice-President Delivery Projects and Construction - Public Service Electric and Gas Co. | Yes | Audit Committee | Executive Leadership, Project Management, Operations, Construction, Utility |
| Steven M. Klein | 50 | 2009 | President, Chief Operating Officer of Northfield Bancorp, Inc. | Yes | Audit Committee Chair, Audit Committee Financial Expert, Compensation Committee and Pension Committee | Executive Leadership, Finance, Accounting, Audit |
| Amy B. Mansue | 51 | 2010 | President and Chief Executive Officer of Children's Specialized Hospital | Yes | Audit, Compensation Committee Chair and Corporate Governance and Nominating Committee | Executive Leadership, Public Policy, Government Experience |
| Walter G. Reinhard | 70 | 2002 | Retired, Former Partner and Of Counsel to Norris McLaughlin & Marcus, P.A. | Yes | Corporate Governance and Nominating Committee Chair and Pension Committee | Executive Leadership, Regulatory & Planning, Public Utilities Law |

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NOMINEES FOR THE BOARD OF DIRECTORS

The present term of Class II Directors expires at the 2016 Annual Meeting of Shareholders. Upon the recommendation of the Corporate Governance and Nominating Committee, the Board has nominated for election three Directors from Class II which are Steven M. Klein, Amy B. Mansue, and Walter G. Reinhard, Esq., each to a three-year term. Kim Hanemann, named to the Board on January 26, 2016 as a Class I Director, will be standing for election for a two-year term, consistent with the remaining term of the other Class I Director. The Director nominees for election named below are willing to be duly elected and to serve. Directors shall be elected by a plurality of the votes cast at the Annual Meeting. If at the time of the election any of the nominees listed should be unable to serve, it is the intention of the persons designated as proxies to vote, in their discretion, for other nominees, unless the number of Directors is reduced. There were no nominee recommendations from shareholders, or from any group of shareholders, submitted in accordance with regulations of the SEC.

We set forth information with respect to the business experience, qualifications and affiliations of our Director nominees below:

Class I – (Term expires in 2018)

Kim C. Hanemann

Independent Director

**Board Committees:
Audit**

Age: 52

Ms. Hanemann is qualified to serve on the Board as a result of her broad construction, engineering, executive leadership and utility service delivery background and experience as a senior leader in a regulated electric and gas utility company. Ms. Hanemann is Senior Vice President – Delivery Projects and Construction of Public Service Electric and Gas Company (PSE&G), New Jersey’s oldest and largest public utility company, where she is responsible for execution of the company’s large transmission construction projects. Her responsibilities include oversight of project management, project controls, licensing and permitting, and commissioning. This large portfolio of services under Ms. Hanemann’s management also includes management of key components of PSE&G’s resiliency initiatives and asset hardening projects on company facilities. Although larger in scope and cost, these utility infrastructure challenges are analogous to those managed by Middlesex Water Company. Ms. Hanemann has held numerous leadership positions in both electric and gas field operations and in utility support operations. She was named Vice President in 2010, and Senior Vice President in 2014. Ms. Hanemann serves as a Director of the Foundation Board of Children’s Specialized Hospital. She is also the Executive Sponsor for PSEG Women’s Network, an employee resource group aimed at providing women with career development insights and serves on PSEG’s Diversity and Inclusion Council. Ms. Hanemann earned her Bachelor’s Degree in Mechanical Engineering from Lehigh University and an M.B.A. from Rutgers Graduate School of Management.

Class II – (Term expires in 2016)

Steven M. Klein

Independent Director since 2009

**Board Committees:
Audit, Chair**

Audit Committee Financial Expert

Compensation

Pension

Age: 50

The Board has concluded that Mr. Klein is qualified to serve on the Board because he brings extensive executive leadership and financial and auditing experience and is highly active in financial services industry matters. Mr. Klein is also designated as a financial expert on the Audit Committee. Mr. Klein serves as President and Chief Operating Officer of Northfield Bancorp, Inc. and its subsidiary, Northfield Bank, with overall responsibility for activities of these entities. He joined Northfield Bancorp, Inc. in 2005 as Chief Financial Officer and was named Chief Operating Officer in 2011. Upon being named in January 2013 to President, Mr. Klein relinquished his role as Chief Financial Officer. Mr. Klein's background includes serving as an audit partner with the international accounting and auditing firm KPMG LLP. He is a licensed Certified Public Accountant in the State of New Jersey and member of the American Institute of Certified Public Accountants and the New Jersey Society of Certified Public Accountants. He is a member of the New Jersey Bankers Association and the American Bankers Association. He earned a B.S. in Business Administration from Montclair State University.

Class II – (Term expires in 2016)

Amy B. Mansue

Independent Director since 2010

Board Committees:

Audit

Compensation, Chair

Corporate Governance & Nominating

Age: 51

The Board has concluded that Ms. Mansue is qualified to serve on the Board because of her executive leadership experience and broad perspective on strategic and operating matters. In addition, her background in the public sector and her extensive public policy experience is beneficial to the Board. Ms. Mansue is President and Chief Executive Officer of Children's Specialized Hospital, the largest pediatric rehabilitation hospital in the country, where she leads a skilled team of clinicians and therapists providing specialized care for children. An affiliate member of the Robert Wood Johnson Health System, Children's Specialized Hospital operates eleven sites throughout New Jersey. Ms. Mansue's background includes serving as a staff member on healthcare policy for former New Jersey Governor James Florio; serving as a Deputy Commissioner in the New Jersey Department of Human Services and as Deputy Chief of Staff to former New Jersey Governor James McGreevey. Ms. Mansue serves as Chair of the New Jersey Chamber of Commerce, Secretary of the Children's Hospital Association, and is a member of the Board of the New Brunswick Development Corporation. Ms. Mansue holds a Bachelor's Degree in Social Welfare and a Master's Degree in Social Work, Planning and Management from the University of Alabama.

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Class II – (Term expires in 2016)

Walter G. Reinhard, Esq.

Independent Director since 2002

Board Committees:

Corporate Governance & Nominating, Chair

Pension

Age: 70

The Board has concluded that Mr. Reinhard is qualified to serve on the Board because he brings executive leadership, broad experience in utility industry law and an extensive regulatory and planning background to his role as Director. Mr. Reinhard served as a Partner of the law firm of Norris McLaughlin & Marcus, P.A. prior to his retirement from the active practice of law and partnership in the firm on December 31, 2014. Effective January 1, 2015, he commenced service as “Of Counsel” to the firm. Mr. Reinhard had been with the firm since 1984 and practiced administrative, environmental and regulatory law involving public utilities. He brings over 40 years of law experience to the Board including expertise in handling regulatory matters before the New Jersey Board of Public Utilities and the New Jersey Department of Environmental Protection. Mr. Reinhard’s professional affiliations include the New Jersey State Bar Association and its Public Utility Law Section (Chair, 1988-89), the Water Utility Council of the American Water Works Association, New Jersey Chapter, and the New Jersey Chapter of the National Association of Water Companies. Mr. Reinhard serves as a Director of the Fanwood-Scotch Plains YMCA. He received his B.A. from the University of Pennsylvania and his J.D. from Pennsylvania State University’s Dickinson School of Law.

THE BOARD OF DIRECTORS UNANIMOUSLY
RECOMMENDS THAT SHAREHOLDERS VOTE “FOR” THE ELECTION OF EACH OF THE FOUR DIRECTOR
NOMINEES NAMED ABOVE.

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DIRECTORS WITH UNEXPIRED TERMS

We set forth information with respect to the business experience, qualifications and affiliations of our Directors with unexpired terms below:

Class III – (Term expires in 2017)

James F. Cosgrove, Jr., P.E.

Independent Director since 2010

Board Committees:

Ad Hoc Pricing, Chair

Pension, Chair

Corporate Governance & Nominating

Age: 52

Mr. Cosgrove is Vice President and Principal of Kleinfelder, a firm offering consulting in architecture, civil and structural engineering, construction management, environmental analysis, remediation, and natural resources management throughout the U.S., Canada and Australia. A Professional Engineer licensed in the State of New Jersey, Mr. Cosgrove has over 25 years' experience in the field of environmental engineering and science with extensive background in water quality monitoring and modeling. Prior to his current position, Mr. Cosgrove was Principal and Founder of Omni Environmental LLC, an environmental consulting firm based in Princeton, NJ. Mr. Cosgrove's professional affiliations include the American Society of Civil Engineers, the American Water Resources Association, the National Society of Professional Engineers, and the Water Environment Federation, among others. He served as a Director of the New Jersey Association of Environmental Authorities from 2005-2011 and currently serves as Chairperson of the New Jersey Clean Water Council. Mr. Cosgrove received a B.S. Degree in Civil Engineering from Lafayette College and earned his M.E. in Environmental and Water Resource Systems Engineering from Cornell University.

Class III – (Term expires in 2017)

John R. Middleton, M.D.

Independent Director since 1999

Board Committees:

Audit

Compensation

Corporate Governance & Nominating

Age: 71

Dr. Middleton is currently engaged in private practice with ID Care, New Jersey's largest network of Infectious Disease Specialists providing comprehensive specialized consultations, care and education for patients with complex infectious diseases. He is also a Clinical Professor of Medicine at Rutgers Robert Wood Johnson Medical School. He formerly served as Chair, Department of Medicine at Raritan Bay Medical Center (Perth Amboy and Old Bridge (NJ) Divisions) from 1978-2007, and was also Chief Medical Officer/Medical Director from 1986-2007, where he also served on the Board from 1986-2007. Dr. Middleton has served on multiple Medical Staff and Board Committees and founded the Internal Medicine Residency Program at Raritan Bay Medical Center. During his tenure, he established the Center for Excellence in Infectious Diseases and the Hope Clinic in Perth Amboy for the victims of Hurricane Katrina, at the request of the Mayor. He has extensive experience in epidemiology, quality assessment and improvement and institutional safety measures. Dr. Middleton's background includes serving as a Special Advisor on Infectious Diseases to the New Jersey State Department of Health and the Health Emergency Preparedness Advisory Council. He has also participated in TOPOFF I, II and III, major disaster exercises, on both the federal and state levels. Dr. Middleton served as Governor of New Jersey's American College of Physicians from 1987-1992. He also served as a major in the U.S. Air Force from 1973-1975 and received a B.S. in Biology from the College of Holy Cross; Doctor of Medicine from Rutgers New Jersey Medical School, and a certificate of Medical Humanities from Drew University. He is certified as a Diplomate of the American Board of Internal Medicine and the Subspecialty Board of Infectious Diseases, and is a Master of the American College of Physicians.

Class III – (Term expires in 2017)

Jeffries Shein

Independent Director since 1990

Board Committees:

Ad Hoc Pricing

Compensation

Corporate Governance & Nominating

Age: 75

Mr. Shein is managing partner, JGT Management Company, LLC, a management and investment firm since 2003. He was formerly a Partner of Jacobsen, Goldfarb and Tanzman Associates, one of the largest industrial and commercial

real estate brokerage firms in New Jersey. Mr. Shein retired from the Board of publicly-traded Provident Bank in April 2015 and was a Director of its predecessor, First Savings Bank. Mr. Shein has served on boards and committees of numerous community, non-profit and professional organizations. Mr. Shein is a member of the Society of Office and Industrial Realtors. He received a B.A. in Economics from Rutgers University.

Class I – (Terms expire in 2018)

Dennis W. Doll

Director since 2006

Age: 57

Mr. Doll was named Chairman of the Board in May 2010 and served as Vice Chairman from 2009-2010. He has served as President, Chief Executive Officer and a Director of Middlesex Water Company since 2006 and serves as Chairman of all subsidiary companies. Mr. Doll joined Middlesex Water as Executive Vice President in November 2004. He has more than 30 years of experience in both regulated and non-regulated water utility management with a diverse management background in matters related to water and wastewater utilities, contract operations and capital management. He received a B.A. Degree in Accounting and Economics from Upsala College. Mr. Doll serves as a volunteer Director on non-profit Boards including the New Jersey Utilities Association (past Chairman) and the National Association of Water Companies, (past President). He also serves as Treasurer and a member of the executive committee on the Board of the Water Research Foundation.

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CORPORATE GOVERNANCE

Code of Ethics and Corporate Governance Guidelines

Management of the Company is under the general direction of the Board whose members are elected by the shareholders. The Company's business is managed under the direction of the Board in accordance with the New Jersey Business Corporation Act and our Certificate of Incorporation and By-laws. Members of the Board are kept apprised of our business through discussions with the Chairman and Chief Executive Officer and other Company Officers, by reviewing briefing materials and other relevant information provided to them, and by actively participating in meetings of the Board and its Committees.

Code of Business Conduct

The Board has adopted a Code of Conduct that applies to all Directors, Officers and employees. This Code encompasses all areas of professional conduct, as well as strict adherence to all laws and regulations applicable to the conduct of our business. In addition, the Company has established an internal hotline where Code of Conduct violations may be repor