

RGC RESOURCES INC
Form DEF 14A
December 06, 2018
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

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

Filed by 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

RGC RESOURCES, 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)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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- Fee paid previously with preliminary materials.
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

RGC RESOURCES, INC.
519 Kimball Avenue, N.E.
Roanoke, Virginia 24016

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD FEBRUARY 4, 2019

December 14, 2018

NOTICE is hereby given that, pursuant to its Bylaws and call of its Directors, the Annual Meeting of the Shareholders of RGC Resources, Inc. will be held at The Hotel Roanoke and Conference Center, 110 Shenandoah Avenue, Roanoke, Virginia 24016, on Monday, February 4, 2019, at 9:00 a.m., for the purposes of:

1. Electing three Class A directors.
2. Ratifying the selection of Brown, Edwards & Company, L.L.P. as the independent registered public accounting firm.
3. Approving, on an advisory basis, the compensation of our named executive officers.
4. Acting on such other business as may properly come before the Annual Meeting.

Your attention is directed to the Proxy Statement accompanying this Notice for a more complete description regarding matters proposed to be acted upon at the meeting. Only those shareholders of record as of the close of business on November 23, 2018 shall be entitled to vote. If you plan to attend the Annual Meeting, please so indicate in the space provided on the proxy card or respond when prompted on the telephone or through the Internet. Admission to the meeting will be limited to invited guests and those who respond and bring their admission card and proper ID with them.

PLEASE VOTE YOUR SHARES BY THE INTERNET, BY TELEPHONE OR BY PROMPTLY MARKING, DATING, SIGNING AND RETURNING THE ENCLOSED PROXY CARD.

Sincerely,
John B. Williamson, III
Chairman

Important Notice Regarding the Availability of Proxy Materials. This Notice for the Annual Meeting of Shareholders, the attached Proxy Statement and our 2018 Annual Report on Form 10-K are available at www.rgcresources.com/corporate-governance/.

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS TO BE HELD FEBRUARY 4, 2019

This Proxy Statement is furnished in connection with the solicitation of proxies to be used at the Annual Meeting of Shareholders of RGC Resources, Inc. ("we", "our", "Resources" or the "Company") to be held on Monday, February 4, 2019, at 9:00 a.m. at The Hotel Roanoke and Conference Center, 110 Shenandoah Avenue, Roanoke, Virginia 24016 (the "Annual Meeting").

Record Date and Voting Securities

Notice of the Company's Annual Meeting was mailed on or about December 14, 2018 to all shareholders of record. Only shareholders of record at the close of business on November 23, 2018, the record date, are entitled to vote at the Annual Meeting. A list of shareholders entitled to vote at the Annual Meeting will be open to the examination by any shareholder, for any purpose germane to the meeting, during ordinary business hours at the Company's offices at 519 Kimball Avenue, N.E., Roanoke, Virginia 24016, and at the time and place of the meeting.

As of the record date, 8,003,606 common shares were issued and outstanding. Each common share is entitled to one vote. A majority of the common shares outstanding entitled to vote on the record date, whether present in person or represented by proxy, will constitute a quorum for the transaction of business at the Annual Meeting.

Proxies in the form enclosed herewith are solicited by management at the direction of the Company's Board of Directors (the "Board").

Voting Procedures

Shareholders of record may vote in person at the Annual Meeting, on-line at www.proxyvote.com, by mailing the proxy card or by telephone by calling (800) 690-6903. Votes cast at the Annual Meeting will be tabulated by an Inspector of Elections, appointed by the Company. All proxy materials are available on the Company's website at www.rgcresources.com.

If you plan to attend the Annual Meeting, please so indicate when you return your proxy card, so that we may send you an admission ticket and make the necessary arrangements. Shareholders who plan to attend the Annual Meeting must present valid, government-issued photo identification along with an admission ticket.

If your shares are held in a brokerage account or by a bank, broker, trustee, or other nominee, you are considered the "beneficial owner" of shares held in "street name." You should have received a voting instruction form with these proxy materials from that organization rather than from the Company. As a beneficial owner, you have the right to direct your broker or other nominee regarding how to vote the shares in your account by following these voting instructions. If you are a beneficial owner and do not instruct your broker or nominee how to vote your shares, the brokers and nominees can use their discretion to vote "uninstructed" shares with respect to Proposal No. 2 regarding the ratification of our independent registered public accounting firm, which is considered a "broker non-vote" for other matters.

Abstentions and broker non-votes are counted as shares present and entitled to vote for the purpose of determining a quorum. Abstentions will be counted towards the vote total for Proposal Nos. 2 and 3 and will have the same effect as AGAINST votes.

If you return a signed and dated proxy card without marking voting selections or providing different instructions on the proxy card, your shares will be voted at the meeting FOR the election of the three director nominees listed in Proposal No. 1, FOR the ratification of the appointment of our independent registered public accounting firm in Proposal No. 2 and FOR the advisory approval of executive compensation in Proposal No. 3. With respect to any other business that may properly come before the Annual Meeting and be submitted to a vote of shareholders, proxies will be voted in accordance with the best judgment of the designated proxy holders. We do not know of any matters to be presented at the Annual Meeting other than those described in this proxy statement.

The director nominees listed in Proposal No. 1 will be elected by a plurality of the votes of the shares present or represented by proxy at the Annual Meeting and entitled to vote on the election of directors. The three nominees receiving the most FOR votes will be elected.

The appointment of our independent registered public accounting firm listed in Proposal No. 2 will be ratified if a majority of shares present or represented by proxy at the Annual Meeting and entitled to vote thereon vote FOR such proposal.

Proposal No. 3, advisory approval of the compensation of the Company's named executive officers, will be considered to be approved if it receives FOR votes from the holders of a majority of shares either present or represented by proxy and entitled to vote.

Revoking a Proxy

You may revoke your proxy at any time before voting is declared closed at the Annual Meeting by: (i) voting at the Annual Meeting in person; (ii) executing and delivering a subsequent proxy; (iii) submitting another time and later dated proxy by telephone or the internet or (iv) delivering a written statement to the Corporate Secretary revoking the proxy. Attending the Annual Meeting will not in and of itself revoke a proxy.

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PROPOSAL 1: ELECTION OF DIRECTORS OF RESOURCES

The Company's Board of Directors consists of nine members and is divided into three classes (A, B, and C) with staggered three-year terms. The current term of office of the Class A directors expires at the 2019 Annual Meeting. The terms of Class B and C directors expire in 2020 and 2021, respectively. Each of the Company's current directors and nominees for election are independent directors, as determined under the Company's independence standards adopted in accordance with the applicable rules of the Securities and Exchange Commission (the "SEC") and NASDAQ, except John S. D'Orazio.

There are three nominees for Class A directors: Abney S. Boxley, III, S. Frank Smith and John B. Williamson, III. The Governance and Nominating Committee and the Board of Directors have selected and endorsed each of these candidates because each brings unique talents and business experience to the Board.

Abney S. Boxley, III is President - East Region, Summit Materials, an SEC registered manufacturer and distributor of construction materials and aggregate. Mr. Boxley was most recently President and CEO of Boxley Materials Company, a position in which he served from 1998 to October 2018. He also serves on the board of directors of Pinnacle Financial Partners, Inc., an SEC registered public bank holding company, Insteel Industries, Inc., an SEC registered manufacturer of steel wire reinforcing products, and Carilion Clinic, a local health-care organization. Mr. Boxley has been a director of the Company since 1994. He holds an MBA degree from the University of Virginia Darden School.

We believe that Mr. Boxley's deep understanding of mergers and acquisitions, business development and his knowledge of local construction and economic development opportunities in the Company's service area make him a valuable member of our Board.

S. Frank Smith is retired from Alpha Coal Sales Company, LLC, and previously served as Consultant and Vice President - Industrial Sales with Alpha Coal Sales Company, LLC. Mr. Smith was in the coal marketing and product acquisition business for over 40 years. Mr. Smith has been a director of the Company since 1990 and holds a Masters of Arts degree from Hollins University.

We believe Mr. Smith's in-depth knowledge of the competitive and regulatory landscape of energy markets is helpful to our understanding of the rapidly changing energy industry and its implications on our customer base. This, in addition to his leadership as chair of the Compensation Committee, makes him a valuable member of our Board.

John B. Williamson, III currently serves as Chairman of the Board. Mr. Williamson formerly served as the Company's President and Chief Executive Officer and was involved in the executive management of the Company beginning in 1992 and has served on the Board since 1998. Mr. Williamson holds an MBA from the College of William and Mary. Mr. Williamson is a member of the board of directors of Optical Cable Corporation, an SEC registered optical fiber cable manufacturer, Luna Innovations Incorporated, an SEC registered technology company, Corning Natural Gas Holding Corporation, an SEC registered natural gas distribution company located in the state of New York, and the Bank of Botetourt, a non-registered publicly traded bank.

We believe that Mr. Williamson's utility industry experience, understanding of the changing natural gas business and in-depth knowledge of the operational, financial and regulatory aspects of the Company provide the management team valuable strategic and operating expertise, and, along with his public company board experience in corporate governance, strategic planning and compliance, make him a valuable member of our Board.

Your Board of Directors recommends a vote FOR each of the nominees for Class A Director.

PROPOSAL 2: RATIFICATION OF BROWN, EDWARDS & COMPANY, L.L.P. AS THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Upon recommendation and selection by the Audit Committee, the Board of Directors approved Brown, Edwards & Company, L.L.P. (“Brown Edwards”) as the independent registered public accounting firm to audit the consolidated financial statements of the Company for the year ending September 30, 2018. Brown Edwards has served as our independent registered public accounting firm since 2006. The Audit Committee has reappointed Brown Edwards as the independent registered public accounting firm to audit our consolidated financial statements as of and for the fiscal year ending September 30, 2019 and to audit our internal controls over financial reporting. A representative of Brown Edwards is expected to attend the meeting.

The Company’s Audit Committee is solely responsible for selecting the Company’s independent registered public accounting firm for the fiscal year ending September 30, 2019. Although shareholder ratification of the appointment of Brown Edwards is not required by the Company’s bylaws, the Board of Directors believes that it is desirable to do so. If the shareholders do not ratify the appointment of Brown Edwards, the Audit Committee will consider whether to engage another independent registered public accounting firm. If the appointment of Brown Edwards is ratified by shareholders, the Audit Committee may change the appointment at any time if it determines a change would be in the best interest of the Company and its shareholders.

Your Board of Directors recommends a vote FOR the ratification of Brown, Edwards & Company, L.L.P.

PROPOSAL 3: NON-BINDING SHAREHOLDER ADVISORY VOTE ON EXECUTIVE COMPENSATION

At the 2017 Annual Meeting, our shareholders voted to continue the annual shareholder review of executive compensation. We believe that our executive compensation program is competitive within the industry and strongly aligned with the long-term interests of our shareholders. This program has been designed to promote a performance-based culture and ensure a philosophy of long-term value creation by aligning the interests of the executive officers with those of our shareholders by linking a meaningful portion of their compensation to the Company’s performance. The program is also designed to meet short-term objectives and to attract and retain highly-talented executive officers who are critical to the successful execution of the Company’s strategic business plan.

We also believe that both the Company and shareholders benefit from constructive and consistent dialogue. The proposal set forth above is intended to give you the opportunity to endorse or not endorse the compensation we paid to our named executive officers for fiscal 2018 and the proposed compensation for fiscal 2019.

The Compensation Committee has overseen the development of the executive compensation program, as described more fully in the Compensation, Discussion and Analysis section of this Proxy Statement.

Please note that your vote is advisory and will not be binding upon the Company or the Board of Directors. However, the Board of Directors and Compensation Committee value the opinions that our shareholders express in their votes and in any additional dialogue. Consequently, the Compensation Committee intends to take into account the outcome of the vote when considering future executive compensation decisions for our executive officers.

Your Board of Directors recommends a vote FOR approval, on an advisory basis, the named executive officers compensation as disclosed in this proxy statement.

BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD OF DIRECTORS

The Company's Board of Directors consists of nine directors and is divided equally into three classes, with staggered three-year terms. The Board has separate persons serving as its Chair and as the President and Chief Executive Officer ("CEO") of the Company. The Board believes this is the appropriate leadership structure at this time.

The Board met eight times during the 2018 fiscal year. All Board members attended at least 75 percent of Board and committee meetings in fiscal year 2018. Consistent with NASDAQ rules, a majority of the Company's non-management directors met at least once each quarter without management present. All directors serving on the Board attended the 2018 Annual Meeting of shareholders. The present principal occupation and employment during the past five years, and the office held with the Company, if any, of each director:

Name and Age	Year In Which First Elected As Director	Business Experience	Year in Which Assumed Principal Occupation
CLASS A DIRECTORS (Currently serving until the 2019 Annual Meeting)			
Abney S. Boxley, III Age 60	1994	See disclosure in Proposal No. 1 above.	2018
S. Frank Smith Age 70	1990	See disclosure in Proposal No. 1 above.	2018
John B. Williamson, III Age 64	1998	See disclosure in Proposal No. 1 above.	2014
CLASS B DIRECTORS (Serving until the 2020 Annual Meeting)			
Nancy Howell Agee Age 66	2005	President, CEO & Director, Carilion Clinic; President & COO Carilion Clinic 2010-2011; COO & Executive Vice President, Carilion Clinic 2007-2010; Director, Healthcare Realty Trust Inc.; Director, Hometown Bank; Director, Virginia Tech Carilion School of Medicine; Chair, American Hospital Association. As the CEO of the largest employer in the Company's service area and her active leadership and participation in the community, Mrs. Agee is a valuable Board member.	2011
J. Allen Layman Age 66	1991	Private Investor. A former CEO, Mr. Layman's utility and regulatory experience makes him a valuable Board member.	2003
Raymond D. Smoot, Jr. Age 71	2005	Chairman, Union Bankshares Corporation; Senior Fellow, Virginia Tech Foundation, Inc. 2012-2017; CEO & Secretary, Virginia Tech Foundation, Inc. 2003-2012; Director, Carilion Clinic. Dr. Smoot's professional experience and public company board experience make him a valuable Board member.	2017
CLASS C DIRECTORS (Currently serving until 2021 Annual Meeting)			
T. Joe Crawford Age 63	2018	Vice President & General Manager, Steel Dynamics Roanoke Bar Division; President & Chief Operating Officer, Roanoke Electric Steel Corporation 2004-2006. Mr. Crawford's professional and community	2006

John S. D'Orazio Age 58	2014	board experience make him a valuable Board member. President, CEO & Director, RGC Resources, Inc. & Roanoke Gas Company. President & CEO, Roanoke Gas Company 2012-2014. Mr. D'Orazio provides the Board with in-depth knowledge of the Company's operations, business strategy, risks and economic climate as well as extensive utility industry experience.	2014
Maryellen F. Goodlatte Age 66	2001	Attorney & Principal, law firm of Glen Feldmann Darby & Goodlatte. Mrs. Goodlatte's experience as an attorney in the Company's service area, in addition to her leadership as chair of the Governance and Nominating Committee, make her a valuable member of the Board.	1983

The Board has standing Compensation, Audit and Governance and Nominating committees. The Board has affirmatively determined that each of the Company's current directors are considered independent directors in respect to each committee on which he or she serves, as determined under the Company's independence standards adopted in accordance with the applicable rules of the SEC and NASDAQ. In addition, the Board has determined that Abney S. Boxley III and Raymond D. Smoot, Jr. are audit committee financial experts under applicable SEC rules. The following table summarizes each committee.

Committee	Members	Responsibilities	Independence
Compensation	S. Frank Smith, Chair Nancy Howell Agee Abney S. Boxley, III J. Allen Layman	Assists the Board in fulfilling its oversight responsibilities relating to the compensation of the Company's directors and executive officers.	Each Member is Independent
Audit	Raymond D. Smoot, Jr., Chair Abney S. Boxley, III S. Frank Smith T. Joe Crawford	Reviews and assesses the Company's processes to manage financial reporting risk and to manage investment, tax, and other financial risks. It also reviews the Company's policies for risk assessment and steps management has taken to control significant risks, except those delegated by the Board to other committees.	Each Member is Independent
Governance and Nominating	Maryellen F. Goodlatte, Chair Nancy Howell Agee J. Allen Layman John B. Williamson, III	Responsible for the oversight of a broad range of issues surrounding the composition and operation of the Board, including identifying individuals qualified to become Board members, recommending nominees for Board election, and recommending to the Board governance principles. It also provides assistance to the Board in the areas of committee member selection and rotation practices, evaluation of the overall effectiveness of the Board and consideration of developments in corporate governance practices.	Each Member is Independent

The Board's Role in Risk Oversight

The Board and management have distinct roles in the identification, assessment and management of risks that could affect the Company. The Board exercises its responsibility for risk directly and through its three standing committees. In Board or committee meetings, management provides periodic reports to provide guidance on risk assessment and mitigation. Each committee charged with risk oversight reports to the Board on those matters.

Management provides regular updates to both the Audit Committee and the Board regarding cybersecurity and other related information technology matters. These updates include, but are not limited to, reviews of technology infrastructure changes, incident response plans, network and system testing, employee training programs and pertinent insurance programs.

The Board believes that its current leadership structure facilitates its oversight of risk by combining independent leadership, through independent board committees and majority independent board composition, with an experienced Chairman and a CEO who have intimate knowledge of the business, history, and the complex challenges the Company faces. The Chairman and CEO both have in-depth understanding of these matters, and the CEO has direct involvement in the day-to-day management of the Company, uniquely positioning him to promptly identify and raise key business risks to the Board.

Director Nominations

The Governance and Nominating Committee establishes the process by which candidates are selected for possible inclusion in the recommended slate of director nominees. The Governance and Nominating Committee has a charter, which is available on the Company's website at www.rgcreources.com. The Governance and Nominating Committee will take into account the Company's current needs and the qualities needed for Board service, including experience and achievement in business, finance, technology or other areas relevant to the Company's activities; reputation, ethical character and maturity of judgment; diversity of viewpoints, backgrounds and experiences; absence of conflicts of interest that might impede the proper performance of director responsibilities; independence under SEC and NASDAQ rules; service on other boards of directors; sufficient time to devote to Board matters; and the ability to work effectively with other Board members. In the case of incumbent directors whose terms of office are set to expire, the Governance and Nominating Committee will review such directors' overall service to the Company during their term, including the number of meetings attended, level of participation and quality of performance. For those potential

new director candidates who appear upon first consideration to meet the Board's selection criteria, the Governance and Nominating Committee will conduct appropriate inquiries into their background and qualifications and, depending on the result of such inquiries, arrange for in-person meetings with the potential candidates.

The Governance and Nominating Committee may use multiple sources for identifying director candidates, including its own contacts and referrals from other directors, members of management, the Company's advisers and executive search firms. The Committee will consider director candidates recommended by shareholders and will evaluate such director candidates in the same manner in which it evaluates candidates recommended by other sources. Any director candidates to be recommended by shareholders should be described in writing to the Corporate Secretary. This recommendation must be sent no later than 120 days prior to the anniversary of the expected mailing date of this proxy statement, in order to be considered for inclusion in the proxy statement for the 2020 annual meeting of shareholders.

Transactions with Related Persons

The Board follows certain policies and procedures for the approval of transactions with related persons that are required to be reported under applicable SEC rules. The policy generally requires Audit Committee approval or ratification of transactions that involve more than \$120,000 in which the Company is a participant and in which a Company director, nominee for director, executive officer, greater than 5% shareholder, or an immediate family member of any of the foregoing persons has a direct or indirect material interest. Various other qualifications and exclusions for reportable related party transactions are set forth in applicable SEC rules, such as a transaction where the tariff gas service is at a rate approved by the Virginia State Corporation Commission or certain banking transactions. In reviewing a reportable related party transaction, the Audit Committee will, after reviewing all material information regarding the transaction, take into account, among other factors it deems appropriate, whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction.

The Company contracted with Boxley Materials Company in fiscal 2018 for approximately \$485,000 of paving services and related construction materials. Mr. Boxley, a director, is currently President - East Region, Summit Materials, of which Boxley Materials is a wholly owned subsidiary. The Company contracted with Boxley Materials in fiscal 2017 for approximately \$274,000 of paving services and related construction materials. These goods and services were obtained at arms-length pricing and terms and conditions. Throughout fiscal 2017 and 2018 Mr. Boxley was President and CEO of Boxley Materials. The Audit Committee has approved the transactions between the Company and Boxley Materials.

The Company has no other related party transactions to report for fiscal 2017 or 2018.

Compensation of Directors

Director fees are set by the Compensation Committee and approved by the Board of Directors after the Committee considers the competitive market for directors and fee levels provided by comparable companies both within the utility industry and in the Company's geographic area. Mr. D'Orazio is not compensated for attendance at Board and committee meetings and does not receive the annual retainer for service as a Board member. The 2019 schedule of fees paid to directors is as follows:

Annual Director Retainer	\$44,000
Additional Annual Retainer - Board Chair	15,000
Additional Annual Retainer - Audit Committee Chair	10,000
Additional Annual Retainer - Other Committee Chair	7,000
Additional Annual Retainer - Audit Committee	8,000

Additional Annual Retainer - Other Committee 2,000

Restricted Stock Plan for Outside Directors. Under the Company's Amended and Restated Restricted Stock Plan for Outside Directors (the "Director Restricted Plan"), originally adopted January 27, 1997, as amended on March 28, 2016 and effective October 1, 2016, a minimum of 40% of the annual retainer fee paid to each non-employee director of the Company on a monthly basis is paid in shares of Company common stock restricted under the terms of the Director Restricted Plan ("Director Restricted Stock"). If the director owns more than 10,000 shares of Resources stock, the minimum requirement is waived. The number of shares of Director Restricted Stock paid each month is calculated based on the first business day of the month closing price of Resources' common shares on NASDAQ. A participant can, subject to approval of the Compensation Committee, elect to receive up to 100% of the retainer fee in Director Restricted Stock. Such election cannot be revoked or amended during the fiscal year.

The shares of Director Restricted Stock vest only in the case of a director's death, disability, retirement (including not standing for reelection to the Board), or in the event of a change in control of Resources. There is no option to take cash in lieu of stock upon vesting of shares under this Plan. The Director Restricted Stock may not be sold, transferred, assigned or pledged by the participant until the shares have vested under the terms of this Plan. The shares of Director Restricted Stock will be forfeited to Resources by a director's voluntary resignation during his or her term on the Board or removal for cause.

Fiscal Year 2018 Director Fees and Restricted Stock Holdings

Name	Fees paid in cash	Fees paid in Restricted Stock ¹	Total Fees	Shares of Restricted Stock as of 9/30/18
Nancy Howell Agee	\$ 6,800	\$ 39,250	\$ 46,050	21,146
Abney S. Boxley, III	6,800	43,750	50,550	20,608
T. Joe Crawford	23,400	13,333	36,733	507
Maryellen F. Goodlatte	27,225	22,125	49,350	16,995
J. Allen Layman	46,050	—	46,050	37,836
S. Frank Smith	31,925	25,125	57,050	23,246
Raymond D. Smoot, Jr.	57,100	—	57,100	20,957
John B. Williamson, III	38,000	20,800	58,800	3,097

Note 1: 40% of the annual retainer fees paid to non-employee directors must be paid in the form of Director Restricted Stock, unless a participant owns at least 10,000 shares of Company stock. This column also includes any additional portion of fees paid to directors in the form of Director Restricted Stock pursuant to the election of the director.

The following table lists directors who elected to receive a higher percentage of fees as Director Restricted Stock in fiscal 2018:

Name	Percent if Greater than 40%
Nancy Howell Agee	100%
Abney S. Boxley, III	100%
Maryellen F. Goodlatte	50%
S. Frank Smith	50%

Section 16(a) Beneficial Ownership Reporting Compliance

Based on the Company's review of the copies of forms related to Section 16(a) of the Securities Exchange Act of 1934 regarding beneficial ownership reporting and representations from certain reporting persons, no other reports are required and one Form 3, covering Mr. Crawford, was filed late in fiscal 2018.

EXECUTIVE OFFICERS

Name and Age	Period Position Held	Position and Experience
John S. D'Orazio, 58	February 2014 to present	President & CEO - Resources, Roanoke Gas

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October 2012 to February 2014 President & CEO - Roanoke Gas

Paul W. Nester, 44	February 2015 to present	Vice President, Treasurer, Secretary & CFO
	May 2012 to January 2015	Vice President, Treasurer & CFO
Carl J. Shockley, Jr., 53	October 2012 to present	Vice President, Operations - Roanoke Gas
	May 2012 to September 2012	Director, Operations - Roanoke Gas