

SPIRE INC  
Form DEF 14A  
December 15, 2016

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

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

Filed by the Registrant ☒   
Filed by a Party other than the Registrant ☐

Check the appropriate box:

<input type="checkbox"/>	Preliminary Proxy Statement
<input type="checkbox"/>	<b>Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))</b>
<input checked="" type="checkbox"/>	Definitive Proxy Statement
<input type="checkbox"/>	Definitive Additional Materials
<input type="checkbox"/>	Soliciting Material Pursuant to §240.14a-12

**SPIRE 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):

<input checked="" type="checkbox"/>	No fee required.
<input type="checkbox"/>	Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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| 1) | Title of each class of securities to which transaction applies:   |
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## Edgar Filing: SPIRE INC - Form DEF 14A

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Notice of Annual Meeting of Shareholders  
and Proxy Statement

January 26, 2017

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**Notice of annual meeting  
of shareholders**

January 26, 2017

To the Shareholders of Spire Inc.:

The annual meeting of shareholders of Spire Inc. will be held on Thursday, January 26, 2017, at 10 a.m. Central Standard Time, at 700 Market Street, St. Louis, MO 63101, for the following purposes:

1. To elect three members of the Board of Directors each to serve for a three-year term.
2. To provide an advisory vote to approve the compensation of our named executive officers.
3. To provide an advisory vote on the interval at which we will seek shareholder advisory approval of the compensation of our named executive officers.
4. To ratify the appointment of Deloitte & Touche LLP as our independent registered public accountant for the 2017 fiscal year.
5. To transact such other business as may properly come before the meeting and any adjournment or postponement.

You can vote if you were a common shareholder of record on November 30, 2016.

To assure your representation at the annual meeting, you are urged to cast your vote, as instructed in the Notice of Internet Availability of Proxy Materials, via the Internet or by phone. You also may request a paper proxy card to submit your vote by mail, if you prefer.

If your shares are held by a broker, bank or nominee, please follow their voting instructions for your vote to count.

By Order of the Board of Directors,

Ellen L. Theroff  
*Corporate Secretary*

December 15, 2016

**Important notice**

Your vote is important. To assure your representation at the annual meeting, please vote your shares as promptly as possible over the Internet at [www.ProxyVote.com](http://www.ProxyVote.com) or by telephone at 1-800-690-6903. Alternatively, you may request a paper proxy card, which you may complete, sign and return by mail.

**Admission to meeting**

Admission to the annual meeting is limited to those who were shareholders of record on November 30, 2016 or who bring documentation to the meeting that shows their beneficial ownership of our common stock through a broker, bank or other nominee as of November 30, 2016.

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**Table of Contents****Proxy statement summary**

This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

**Annual meeting of shareholders**

Time and date	10 a.m., Central Standard Time, on Thursday, January 26, 2017
Place	700 Market Street St. Louis, MO 63101
Record date	November 30, 2016
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.
Entry	If you decide to attend the meeting in person, you will need to register upon your arrival. See <u>page 1</u> for further instructions.

**Voting matters (page 3)**

Proposal	Board vote recommendation	Page reference (for more detail)
Election of three Directors	FOR	<u>6</u>
Provide advisory vote to approve the compensation of our named executive officers	FOR	<u>9</u>
Provide advisory vote on the interval at which we will seek shareholder advisory approval of the compensation of our named executive officers	One Year	<u>11</u>
Ratification of Deloitte & Touche LLP as our independent registered public accounting firm for fiscal year 2017	FOR	<u>12</u>

**Nominees for election (page 6)**

The following table provides summary information about each nominee. The nominees receiving the affirmative vote of a majority of those shares entitled to vote and present at the meeting in person or represented by proxy will be elected as Directors.

Name	Age	Director since	Occupation	Term	Independent
Edward L. Glotzbach	68	2005	Retired Vice Chairman, Information Services Group	Nominee for term expiring January 2020	X
Rob L. Jones	58	2016	Retired Co-Head, Bank of America Merrill Lynch Commodities, Inc.	Nominee for term expiring January 2020	X
John P. Stupp Jr.	66	2005	Chairman, CEO and President, Stupp Bros., Inc.	Nominee for term expiring January 2020	X



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**Fiscal year 2016 corporate performance ([page 25](#))**

The following table provides information on the Company's performance in the last two fiscal years. For the fiscal year ended September 30, 2016, the Company reported an increase in consolidated net income to \$144.2 million from \$136.9 million for fiscal year 2015. Net income and earnings per share are determined in accordance with accounting principles generally accepted in the United States of America (GAAP). Management also uses the non-GAAP measures of net economic earnings and net economic earnings per share when internally evaluating and reporting results of operations as discussed on pages 29 and 30 in the Company's Annual Report on

Form 10-K for the year ended September 30, 2016 (2016 Form 10-K). Net economic earnings for 2016 were \$149.1 million, up from \$138.3 million for 2015.

The increases from 2015 to 2016 were driven by results for the Gas Utility segment, including lower operating expenses. The Gas Marketing segment also reported improved performance from last year, reflecting higher volumes. The results are discussed further beginning on page 32 of the Company's 2016 Form 10-K.

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<i>In millions, except per share amounts</i>	Gas Utility	Gas Marketing	Other	Consolidated	Per diluted share
<b>Year ended September 30, 2016</b>					
Net Income (Loss) (GAAP)	\$ 159.0	\$ 7.1	\$(21.9)	\$ 144.2	\$ 3.24
Adjustments, pre-tax:					
Unrealized (gain) loss on energy-related derivatives	(0.3)	0.2		(0.1)	
Lower of cost or market inventory adjustments		0.2		0.2	0.01
Realized gain on economic hedges prior to the sale of the physical commodity		(1.6)		(1.6)	(0.04)
Acquisition, divestiture and restructuring activities	2.3		6.9	9.2	0.21
Income tax effect of adjustments*	(0.7)	0.5	(2.6)	(2.8)	(0.06)
Weighted average shares adjustment**					0.06
Net Economic Earnings (Loss) (Non-GAAP)	\$ 160.3	\$ 6.4	\$(17.6)	\$ 149.1	\$ 3.42
<b>Year ended September 30, 2015</b>					
Net Income (Loss) (GAAP)	\$ 153.3	\$ 4.1	\$(20.5)	\$ 136.9	\$ 3.16
Adjustments, pre-tax:					
Unrealized gain on energy-related derivatives	(0.1)	(2.7)		(2.8)	(0.07)
Lower of cost or market inventory adjustments		0.4		0.4	0.01
Realized loss on economic hedges prior to the sale of the physical commodity		2.4		2.4	0.06
Acquisition, divestiture and restructuring activities	3.1		6.7	9.8	0.23
Gain on sale of property	(7.6)			(7.6)	(0.18)
Income tax effect of adjustments*	1.7		(2.5)	(0.8)	(0.02)
Net Economic Earnings (Loss) (Non-GAAP)	\$ 150.4	\$ 4.2	\$(16.3)	\$ 138.3	\$ 3.19

\*Income tax effect is calculated by applying federal, state, and local income tax rates applicable to ordinary income to the amounts of the pre-tax reconciling items.

\*\*2016 net economic earnings per share excludes the impact of the May 2016 equity offering to fund the acquisition of EnergySouth, Inc. The weighted average diluted shares used in the net economic earnings per share calculation for the fiscal year ended September 30, 2016 was 43.5 compared to 44.3 in the GAAP earnings per share (EPS) calculation.

Note: EPS amounts by segment represent contributions to Spire's consolidated EPS.

## Executive compensation in fiscal year 2016 (page 25)

The graph below evidences the Company's commitment to the pay-for-performance philosophy. It compares basic net economic earnings per share to the Annual Incentive Plan (AIP) payments to the named executive

officers (NEO). Basic net economic earnings per share is the key metric used to determine funding under our AIP in 2016. The earnings in the graph are based on operations at the time of performance.

## iii Spire Inc. 2016 Notice of Annual Meeting



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Basic Net Economic EPS Compared to NEOs Annual Incentive Award

The Company also emphasizes pay-for-performance by placing a majority of the executives' target total direct compensation ( TTDC ) at risk through the annual and equity incentive plans. TTDC includes the base salary at the end of fiscal 2016, the 2016 target AIP opportunity and the market value (target shares multiplied by grant date stock

price) of the 2015 Equity Incentive Plan awards made during fiscal year 2016. Further, the largest proportion of incentive pay, which is represented by the equity incentive award, focuses on long-term performance. The graph below shows the mix of fixed (base pay) and at-risk pay. Additional details on long-term incentives can be found on page 36.

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Fiscal 2016 TTDC Components

Advisory vote to approve the compensation of our named executive officers (page 9)

This year we are seeking your approval of the Company's compensation of the named executive officers as disclosed in this proxy statement. Although the vote on this proposal is advisory and nonbinding, the

Compensation Committee and Board will review the results of the vote and consider the collective views of our shareholders in future determinations concerning our executive compensation program.

Advisory vote on the interval at which we will seek shareholder advisory approval of the compensation of our named executive officers (page 11)

In accordance with SEC rules issued pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act), once every six years we are required to seek shareholder approval of how often the Company will seek advisory approval

of the compensation of our named executive officers. This year we are seeking your approval to request shareholder advisory approval of the compensation of our named executive officers every year.

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**Independent registered public accountant ([page 12](#))**

We are asking shareholders to ratify the selection of Deloitte & Touche LLP as our independent registered public accountant for fiscal year 2017. The table contains summary information with respect to Deloitte & Touche's fees for services provided in fiscal years 2015 and 2016.

	2016	2015
Audit fees	\$2,225,000	\$1,775,000
Audit-related fees	130,300	70,950
Tax fees	35,000	52,600
All other fees	2,000	2,500
Total	\$2,392,300	\$1,901,050

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### About the annual shareholders meeting

This proxy statement is furnished to solicit proxies by the Board of Directors of Spire for use at the annual meeting of its shareholders to be held on January 26, 2017, and at any adjournment or postponement of the meeting. The meeting will be held at the Company's primary offices at 700 Market Street, St. Louis,

MO 63101 at 10 a.m. Central Standard Time. This proxy statement is first being made available to shareholders with the annual report for its fiscal year 2016 on or about December 15, 2016. In this proxy statement, we refer to Spire as the Company.

## Questions and answers about the annual meeting

### Who is soliciting my vote?

The Board of Directors of the Company is soliciting your vote for the Company's annual meeting of shareholders.

### When will the meeting take place?

The annual meeting will be held on Thursday, January 26, 2017 at 10 a.m. Central Standard Time at the Company's primary offices at 700 Market Street, St. Louis, MO 63101.

### Who is entitled to vote at the annual meeting?

If you owned Company stock at the close of business on November 30, 2016, you may attend and vote at the annual meeting.

### Why did I receive a notice in the mail regarding the Internet availability of proxy materials instead of a paper copy of proxy materials?

Under the Notice and Access rules of the Securities and Exchange Commission (SEC), we are permitted to furnish proxy materials, including this proxy statement and our annual report to our shareholders, by providing a Notice of Internet Availability of Proxy Materials. Most shareholders will not receive printed copies unless they request them. The Notice instructs you as to how you may access proxy materials on the Internet and how you may submit your proxy via the Internet. If you

would like to receive a paper or electronic copy of our proxy materials, you should follow the instructions for requesting such material in the Notice. Any request to receive proxy materials by mail or electronically will remain in effect until you revoke it.

### If more than one shareholder lives in my household and I have elected to receive printed copies of the proxy materials, how can I obtain an extra copy of the proxy materials?

For those shareholders that have elected to receive printed copies of our proxy materials, under the rules of the SEC, we are permitted to deliver a single copy of the Notice of Internet Availability of Proxy Materials or this proxy statement and our annual report to multiple shareholders that share the same address, unless we have received contrary instructions from any such shareholder. This practice, known as householding, is designed to reduce our printing and postage costs. Upon written or oral request, we will mail a separate copy of this proxy statement and our annual report to any shareholder at a shared address to which a single copy of each document was delivered. You may call, toll free, (866) 540-7095, or write to Broadridge, Household Department, 51 Mercedes Way, Edgewood, NY 11717 to request a separate copy.



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### **Can I vote my shares by filling out and returning the notice?**

No, the Notice identifies the items to be voted on at the annual meeting; you cannot vote by marking the Notice and returning it. The Notice provides instructions on how to: (i) vote by Internet, (ii) vote by phone and (iii) request and return a paper proxy card or voting instruction card.

### **Why didn't I receive a notice in the mail regarding the Internet availability of proxy materials?**

If you previously elected to access proxy materials over the Internet, you will not receive a Notice in the mail. You should have received an email with links to the proxy materials and online proxy voting. Also, if you previously requested paper copies of the proxy materials or if applicable regulations required delivery of the proxy materials, you will not receive the Notice.

If you received a paper copy of the proxy materials or the Notice by mail, you can eliminate paper mailings in the future by electing to receive an email that will provide Internet links to these documents. Opting to receive future proxy materials online will save us the cost of producing and mailing documents and help us conserve natural resources. Enrollment for electronic delivery is effective until canceled.

### **Who is a shareholder of record?**

You are a shareholder of record if your shares are registered directly in your name with our transfer agent, Computershare. You will receive a Notice or these proxy materials by delivery directly to you. You are entitled to vote your shares by Internet, telephone, in person at the meeting, or, if you have requested printed proxy materials, by completing and returning the enclosed proxy card.

### **Who is a beneficial owner?**

You are a beneficial owner if you hold your stock in a stock brokerage account, or by a bank or other nominee. Your shares are held in street name and the Notice or these proxy materials are being sent to you by your broker, bank or nominee, who is considered the shareholder of record. As a beneficial owner, you have the right to direct your broker, bank or nominee on how to vote. You may attend the annual meeting, but you will need to bring a letter or statement from that firm that shows you were a beneficial owner of Company shares on November 30, 2016. You may not vote these shares in person at the annual meeting unless you request, complete and deliver a legal proxy from your broker, bank or nominee. If you requested printed proxy materials, your broker, bank or nominee provided a voting instruction card for you to use in directing the broker, bank or nominee on how to vote your shares.

### **How many shares must be present to hold the annual meeting?**

A majority of our issued and outstanding shares entitled to vote at the annual meeting as of the record date must be present in person or represented by proxy to have a quorum. As of November 30, 2016, there were 45,656,218 shares outstanding. Both abstentions and broker non-votes are counted as present for purposes of determining quorum.

### **How many votes are required for each item of business?**

*Election of Directors:* The election of Directors requires the affirmative vote FOR each nominee of a majority of those shares entitled to vote and present at the meeting in person or represented by proxy. Withheld votes and abstentions will have the effect of votes against the nominee, while broker non-votes will not be considered represented and will have no effect on the outcome.

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*Advisory approval of the compensation of our named executive officers:* This proposal, which is non-binding, requires the affirmative vote of a majority of the shares entitled to vote and present in person or represented by proxy at the meeting to be approved. Abstentions will have the effect of a vote against the proposal, while broker non-votes will not be counted as votes cast and will have no effect on the outcome.

*Advisory vote on the interval at which we will seek shareholder advisory approval of the compensation of our named executive officers:* If none of the alternatives receives a majority vote, the alternative that receives the most

votes will be deemed approved by shareholders. Abstentions and broker non-votes will not be counted as votes cast and will have no effect on the outcome.

*Ratification of appointment of independent registered public accountant:* This proposal requires an affirmative vote FOR of a majority of those shares entitled to vote and present at the meeting in person or represented by proxy to be approved. Abstentions will have the effect of a vote against the proposal.

## **Voting matters**

### **How do I vote?**

You may vote on the Internet, by phone, by mail, or by attending the annual meeting and voting by ballot. The Internet and phone voting procedures are designed to authenticate that you are a shareholder by use of a control number. The procedures allow you to confirm that your instructions have been properly recorded. If you vote by telephone or Internet, you do not need to mail back your proxy card or voting instruction card.

*By Internet:* If you have Internet access, you may submit your proxy by following the instructions provided in the Notice, or, if you requested printed proxy materials, by following the instructions provided with your proxy materials and on your proxy card or voting instruction card. On the Internet voting site, you can confirm that your instructions have been properly recorded. If you vote on the Internet, you can also request electronic delivery of future proxy materials.

*By phone:* You can vote by phone by following the instructions provided in the Notice, or, if you requested printed proxy materials, by following the instructions provided with your proxy materials and on your proxy card or voting instruction card.

*By mail:* If you elected to receive printed proxy materials by mail, you may choose to vote by mail by marking your proxy card or voting instruction card, dating and signing it, and returning it in the postage-paid envelope provided. Please allow sufficient time for mailing if you decide to vote by mail.

*At the annual meeting:* The method or timing of your vote will not limit your right to vote at the annual meeting if you attend the annual meeting and vote in person. However, if your shares are held in the name of a bank, broker or the nominee, you must obtain a legal proxy, executed in your favor, from the holder of record to be able to vote at the annual meeting. You should allow yourself enough time prior to the annual meeting to obtain this proxy from the holder of record.

The shares voted electronically, by phone or represented by proxy cards received, properly marked, dated, signed and not revoked, will be voted at the annual meeting.



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**If you hold your shares through a broker, please note that your broker will not be permitted to vote on your behalf for the first three proposals unless you provide instructions as to how to vote your shares. Voting your shares is important to ensure that you are represented at the meeting. If you have any questions about the voting process, please contact the broker where you hold your shares.**

### **Can I vote my shares that are held in the Company's dividend reinvestment and stock purchase plan or any of the Company's 401k plans?**

If you participate in the Company's dividend reinvestment and stock purchase plan or in the Company Stock Fund of the Laclede Gas Company Wage Deferral Savings Plan, Laclede Gas Company Salary Deferral Savings Plan, Missouri Natural Gas Division of Laclede Gas Company Wage Deferral Savings Plan, Laclede Gas Company Missouri Gas Energy Division Wage Deferral Savings Plan or Alagasco Employee Savings Plan, you are entitled to vote those shares. If you do not give voting instructions for shares owned by you through any of these plans, none of your shares held in the plans will be voted. To allow sufficient time for voting by the administrator and trustee of the plans, your voting instructions must be received by January 24, 2017.

### **How can I revoke or change my vote?**

You may revoke your proxy at any time before it is voted at the meeting by:

Sending timely written notice of revocation to the corporate secretary;

Submitting another timely proxy by telephone, Internet or proxy card; or

Attending the annual meeting and voting in person. If your shares are held in the name of a bank, broker or other holder of record, you must obtain a proxy executed in your favor from the holder of record to be able to vote at the meeting.

### **How many votes do I have?**

You are entitled to one vote for each share that you owned on November 30, 2016.

### **What happens if I don't give specific voting instructions?**

*Shareholders of record:* If you are a shareholder of record and you either indicate that you want to vote as recommended by the Board of Directors or you return a signed proxy card but do not indicate how you want to vote, then your shares will be voted in accordance with the recommendations of the Board of Directors on all matters presented in this proxy statement and as the proxy holders may determine in their discretion regarding any other matters properly presented for a vote at the meeting. If you indicate a choice for any matter to be acted upon, the shares will be voted in accordance with your instructions.

*Beneficial owners:* If you hold shares in street name and do not provide instructions, your shares may constitute broker non-votes on certain proposals. Generally, broker non-votes occur on a non-routine proposal where a broker is not permitted to vote on that proposal without instructions from the beneficial owner and instructions are not given. Broker non-votes are considered present at the annual meeting, but not as voting on a matter. Thus, broker non-votes are counted as present for purposes of determining whether there is a quorum, but are not counted for purposes of determining whether a matter has been approved. Broker non-votes will not affect

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the outcome of the votes on the first three proposals. If you do not provide instructions to your broker, under the rules of the New York Stock Exchange, your broker will not be authorized to vote the shares it holds for you with respect to the first three proposals. Your broker has the discretion, however, to vote the shares it holds for you on the ratification of the independent registered public accountant.

**Who counts the votes?**

We hired Broadridge Investor Communications as an independent tabulator of votes to ensure confidentiality of the voting process. However, if you write comments on your proxy card, the comments will be shared with us. We also have hired IVS Associates, Inc. to serve as independent inspector of elections.

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### Proposal 1

#### Election of Directors

The Board of Directors is divided into three classes. Directors Glotzbach, Jones and Stupp, whose terms will expire upon the election of Directors at the meeting on January 26, 2017, have been nominated to stand for reelection for terms expiring upon the election of their successors in January 2020. The persons named as proxies intend to vote FOR the

election of the three nominees. If any nominee becomes unavailable for any reason before the meeting, which is not anticipated, the proxies will vote the shares indicated for that nominee for a person to be selected by our Board of Directors. Director W. Stephen Maritz, whose term would have expired at the meeting on January 26, 2017, resigned on August 2, 2016.

#### Information about the nominees and Directors

##### Nominees for term expiring in 2020

**Edward L. Glotzbach**, 68, served as Vice Chairman, Mergers and Acquisitions, of Information Services Group from November 2007, when it acquired Technology Partners International, Inc., to March 2012. From December 2004 to November 2007, he served as President and CEO of Technology Partners International, Inc., an organization that assists clients with the evaluation, negotiation, implementation and management of information technology and business process sourcing initiatives. From October 2003 to December 2004, he served as Vice President and Chief Financial Officer of the firm. From 1970 to September 2003, he served in many positions with SBC Communications, with his most recent position there being Executive Vice President and Chief Information Officer for six years. Mr. Glotzbach served as a director of Perficient, Inc. from 2010 to May 2012.

Mr. Glotzbach brings to the Board business and leadership experience as an executive of a public company, regulated utility experience as a former executive of a telephone utility regulated by the Missouri Public Service Commission, financial expertise having served as a chief financial officer at other companies, and his information technology expertise given

his experience at Information Services Group and his chief information officer experience at a major telephone company. He also provides insight to the Company as to potential exposures and risks in those areas.

*Director since 2005*

**Rob L. Jones**, 58, served as co-head of Bank of America Merrill Lynch Commodities, Inc. (MLC) from 2007 until his retirement in March of 2012. MLC is a global commodities trading business and a wholly owned subsidiary of Bank of America Merrill Lynch. Prior to taking leadership of MLC, he served as Head of Merrill Lynch's Global Energy and Power Investment Banking Group. An investment banker with Merrill Lynch and The First Boston Corporation for over 20 years, Mr. Jones worked extensively with a variety of energy and power clients, with a particular focus on the natural gas and utility sectors.

From September 2012 to June 2014, he served as an Executive in Residence at the McCombs School of Business at the University of Texas at Austin (McCombs). He continues as a guest lecturer and speaker at McCombs. Mr. Jones served as Lead Independent Director for Susser Petroleum Partners, L.P. (SUSP), a publicly traded partnership, from 2012 to 2014, and

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since 2014 he has served on the Board of Directors of Shell Midstream Partners GP LLC, which is the general partner of Shell Midstream Partners, L.P.

Mr. Jones' experience in financial roles in the energy banking industry, with a particular focus on the natural gas and utility sectors, as well as his experience as a lead independent director of a publicly traded partnership, add a unique dimension to the Board.

### *Director since 2016*

**John P. Stupp Jr.**, 66, has been President of Stupp Bros., Inc. since March 2004 and Chairman and Chief Executive Officer since March 2014 and Chief Executive Officer of Stupp Corporation since August 1995. He previously served as Executive Vice President of Stupp Bros., Inc. from April 1995 to March 2004 and its Chief Operating Officer from April 1996 to March 2004. Stupp Bros., Inc. has two operating divisions: Stupp Bridge Company, a fabricator of steel highway and railroad bridges; and Stupp Corporation, producer of custom-made HFW (high frequency weld) and SAWH (spiral weld) pipe for gas and oil transmission; and three subsidiaries: APCI, an integrator of linear friction welding technology; Stupp Coatings LLC, coating applicators for steel line pipe; and Midwest BankCentre, a Missouri bank holding company. During the past eight years, he has served and continues to serve as a director of Stupp Bros., Inc. and Atrion Corp.

As Chairman, CEO and President of Stupp Bros., Inc., one of the Company's largest shareholders with a long-term investment relationship with the Company, Mr. Stupp has historic institutional knowledge of the Company and directly represents shareholder interests. Further, his experience with the various subsidiaries of Stupp Bros., Inc.,

provides insight as to the pipeline and other infrastructure industries on a national basis as well as insight into the regional economy.

### *Director since 2005*

**Your Board of Directors recommends a vote FOR election of these nominees as Directors.**

## **Directors with term expiring in 2018**

**Mark A. Borer**, 62, served as CEO as well as a member of the Board of Directors of DCP Midstream Partners LP from November 2006 through December 2012. DCP Midstream Partners LP is a public midstream master limited partnership that is engaged in all stages of the midstream business for both natural gas and natural gas liquids.

Mr. Borer's experience in the midstream natural gas business gives him hands-on knowledge of the industry. His recent service as a CEO and member of the board of a public entity that raised significant capital provides him with experience in the operations of an energy company and the capital markets, and he possesses business and leadership expertise that assists the Board as it evaluates the Company's financial and operational risks and strategy.

### *Director since 2014*

**Maria V. Fogarty**, 57, served as the Senior Vice President of Internal Audit and Compliance at NextEra Energy, Inc. from 2011 through June 2014. She previously served as Vice President of Internal Audit at that company from 2005 to 2010 and Director of Internal Audit from April 1993 through 2004. NextEra Energy, Inc. is a leading clean energy company with 2015 revenues of approximately \$17.5 billion and the parent company of Florida Power & Light, the largest rate-regulated electric utility in Florida.

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Ms. Fogarty's prior experience leading the audit function at a public energy company provides her knowledge of the audit and Sarbanes-Oxley requirements facing public companies today. Her industry experience at a company that grew significantly during her tenure at the company benefits the Board, as she can provide insights into the risks, opportunities and challenges created by growth.

*Director since 2014*

## **Directors with term expiring in 2019**

**Brenda D. Newberry**, 63, retired in May 2010 as Chairman of the Board of The Newberry Group, a provider of information technology consulting services on a global basis, specializing in information systems, technology infrastructure, data and network security and project management services. Ms. Newberry founded The Newberry Group in 1996 with her husband. Between 2007 and 2014, she also served as a director of Enterprise Financial Services Corp.

Ms. Newberry provides insight into the Company's information technology strategy and related risks and exposures. Further, her experience in creating and building her own businesses assists the Company as it considers growth opportunities, and her government contractor experience provides insight into conducting business in a highly regulated industry.

*Director since 2007*

**Suzanne Sitherwood**, 56, has served as the Company's President since September 1, 2011 and Chief Executive Officer since February 1, 2012. Ms. Sitherwood currently serves on the boards of Alcoa Corporation and the Federal Reserve Bank of St. Louis, both of which she joined during 2016.

Ms. Sitherwood has more than 35 years' experience in the natural gas industry. Her experience ranges from chief engineer to vice president of gas operations and capacity planning to the president of three natural gas utilities. She possesses significant experience in working in a regulatory environment while implementing strategic growth initiatives. Under Ms. Sitherwood's leadership, the Company's natural gas utility business has grown from 625,000 customers to nearly 1.7 million customers, and the Company's enterprise value has grown from \$1.3 billion in 2012 to \$5.3 billion today.

*Director since 2011*

**Mary Ann Van Lokeren**, 69, retired as Chairman and Chief Executive Officer of Krey Distributing Co., an Anheuser-Busch wholesaler, in October 2006. She served in that capacity from December 1986. During the past 20 years, she has served, and continues to serve, as a director of Masco Corporation.

With her prior experience as CEO of one of the largest Anheuser-Busch wholesalers in Missouri, Ms. Van Lokeren has business and leadership expertise that assists the Board as it evaluates the Company's financial and operational risks, controls and strategy. Further, her experience on other public company boards provides insight as to the Board's role in oversight of management as well as corporate governance.

*Director since 2000*

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**Proposal 2**

**Advisory vote to approve the compensation of our named executive officers**

As required pursuant to Section 14A of the Securities Exchange Act of 1934, as amended, we are seeking your approval of the Company's compensation of the named executive officers as disclosed in this proxy statement. Although the vote on this proposal is advisory and nonbinding, the Compensation Committee and Board will review the results of the vote and consider the collective views of our shareholders in future determinations concerning our executive compensation program generally and the compensation of our named executive officers in particular.

As noted in the Compensation Discussion and Analysis, the Company's philosophy is to pay for performance by making compensation decisions based on what promotes our corporate strategy, creates shareholder value and remains equitable for the Company, its employees and its shareholders. In the process of making these decisions, we also consider the types and levels of compensation in the marketplace. We urge you to read the Compensation Discussion and Analysis section of this proxy statement, which discusses in more detail our compensation policies and procedures. Throughout the year, our Compensation Committee assesses our compensation programs to ensure they are consistent with our pay philosophy. In determining how to vote on this proposal, please consider our compensation governance and pay structure:

*Recoupment:* Our policy addresses recoupment of amounts from employees' performance-based awards under the annual and equity incentive plans to the extent that they would have been materially less due to inaccurate financial statements, fraud or intentional, willful or gross misconduct.

*Prohibition of hedging/pledging of stock:* Our policy on the purchase and sale of securities generally prohibits our executive officers and directors pledging or hedging their positions in our stock so that their interests are similarly aligned with that of our shareholders. Any exceptions for an executive officer to this pledging prohibition must be approved by the Chairman of the Board or Lead Director as applicable.

*Stock ownership requirements:* Our stock ownership requirements, which are outlined on [page 15](#), further strengthen the alignment of our executives with our shareholders.

*Compensation balance:* Most of the compensation to the named executive officers is aligned with corporate performance in areas related to our customers, our shareholders and our employees. The Company seeks to balance short-term and longer-term compensation opportunities to ensure that the Company meets short-term objectives while continuing to produce value for its shareholders over the long term.

The Compensation Committee's consultant is independent.

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The Company's use of perquisites is modest.

We have limits on incentive compensation, which cap all potential incentive awards at 150% of target, with potential of 200% for a TSR metric if we rank at the top of our peer group.

The Company does not enter into employment agreements or provide excise tax gross-up protections.

The supplemental pension plans are traditional plans that cover the compensation not included in the qualified pension plan due solely to tax limitations, and do not otherwise factor in additional compensation or additional years of service.

The Board of Directors is asking shareholders to support the Company's named executive officer compensation as disclosed in this proxy statement. The Compensation Committee and the Board of Directors believe the compensation program effectively implements

the Company's compensation principles and policies, achieves the Company's compensation objectives, and aligns the interests of the executives and shareholders. Accordingly, the Board asks shareholders to cast a nonbinding vote FOR the following resolution:

**RESOLVED, that the shareholders approve the compensation of the Company's named executive officers as disclosed in this proxy statement for the annual meeting of shareholders, including the Compensation Discussion and Analysis, compensation tables and other related disclosures.**

**Your Board of Directors recommends a vote FOR advisory approval of the compensation of our named executive officers.**

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**Proposal 3**

**Advisory vote on the interval at which we will seek shareholder advisory approval of the compensation of our named executive officers**

In addition to requesting the shareholder advisory approval of the compensation of our named executive officers, Section 14A of the Securities Exchange Act of 1934 and SEC rules issued thereunder also require that once every six years we seek shareholder approval of how often the Company will seek advisory approval of the compensation of our named executive officers. SEC rules require that we present every one, two or three years, or abstain as alternatives for shareholders. In 2011, in light of the voting results at our 2010 annual meeting of shareholders with respect to the interval at which to seek shareholder s approval of compensation of the named executive officers, our Board determined to hold the say on pay vote every three years. We now believe that a non-binding shareholder vote on the compensation of our named executive officers should occur every year. We believe that a one-year frequency provides the highest level of accountability and communication by enabling the non-binding shareholder vote to approve the compensation of our named executive officers to correspond with the most recent named executive officer compensation information presented in our proxy statement for our annual meetings of shareholders. After thoughtful consideration and ongoing input from our shareholders, the Board believes that holding an advisory vote on the compensation of our named executive officers every year is the most appropriate policy for our shareholders and the Company at this time.

Our Board believes that good corporate governance and accountability to shareholders are not only marks of good management, but also critical to a successful enterprise. We anticipate that a say on pay vote conducted every year will complement a number of effective mechanisms already available to our shareholders that allow them to communicate with the Board regarding the compensation of our named executive officers or any other matter. Our shareholders have a variety of corporate governance mechanisms at their disposal for this purpose. These include shareholder approval requirements for equity compensation plans, shareholder proposals, letters to individual Directors or the entire Board and voicing opinions at the Annual Meeting of Shareholders. As with all of these practices, our Board will monitor the effectiveness of an annual advisory say on pay vote to ensure it remains a valuable tool for our shareholders.

Although the vote on this Proposal is advisory and non-binding, the Board will carefully consider the voting results. If none of the alternatives receives a majority vote, the alternative that receives the most votes will be deemed approved by shareholders.

**Your Board of Directors recommends a vote for seeking advisory approval on the compensation of our named executive officers every year.**



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## Proposal 4

### Ratification of appointment of independent registered public accountant

The Board of Directors, upon recommendation of its Audit Committee, recommends that you ratify the appointment of Deloitte & Touche LLP, independent registered public accountant, to audit the books, records and accounts of Spire Inc. and its subsidiaries for the fiscal year ending September 30, 2017. A representative of Deloitte & Touche LLP will be present at the annual meeting, will have an opportunity to make a statement if he or she desires to do so, and will be available to respond to appropriate questions.

**Your Board of Directors recommends a vote FOR ratification of the appointment of Deloitte & Touche LLP as independent registered public accountant.**

**Table of Contents****Governance****Beneficial ownership of Spire common stock**

The table below shows as of November 1, 2016 the number of shares of our common stock beneficially owned by (i) each person known to the Company to be the beneficial owner of more than five percent of the Company's

common stock, (ii) each current Director and Director nominee, (iii) each named executive officer listed in the Summary Compensation Table and (iv) all Directors, nominees and executive officers as a group.

**Amount and nature of ownership**

Name	Shares beneficially owned (1)	Percent of class
M. A. Borer	5,490	*
M. C. Darrell	40,992 (2)	*
L. C. Dowdy	5,687 (2)	*
M. V. Fogarty	5,490	*
R. L. Jones	1,690	*
E. L. Glotzbach	21,891 (3)	*
S. L. Lindsey	23,663 (2)	*
B. D. Newberry	16,340 (3)	*
S. P. Rasche	17,988 (2)	*
S. Sitherwood	62,088 (2)	*
J. P. Stupp Jr.	1,172,940 (3)(4)	2.6%
M. A. Van Lokeren	22,075	*
BlackRock, Inc.	4,336,179 (5)	9.5%
Franklin Resources, Inc.	2,646,495 (6)	5.8%
The Vanguard Group, Inc.	3,208,606 (7)	7.0%
All Directors and executive officers as a group (13)	1,414,668	3.1%

\*Less than one percent.

(1) Except as otherwise indicated, each person has sole voting and investment power with respect to all of the shares listed.

(2) Includes restricted non-vested shares granted under the 2006 Equity Incentive Plan and 2015 Equity Incentive Plan, as to which a recipient has sole voting power and no current investment power as follows: M. C. Darrell 6,486; L. C. Dowdy 4,995; S. L. Lindsey 8,577; S. P. Rasche 7,443; S. Sitherwood 21,424.

(3) Includes restricted, non-vested shares granted under the Restricted Stock Plan for Non-Employee Directors, as to which each recipient has sole voting power and no current investment power, as follows: E. L. Glotzbach 5,275; B. D. Newberry 8,950; and J. P. Stupp Jr. 5,275.

(4) Includes 1,155,000 shares owned by Stupp Bros., Inc. Mr. Stupp is a director and executive officer of Stupp Bros., Inc. and has an interest in a voting trust that controls 100% of the stock of Stupp Bros., Inc., which is located at 3800 Weber Road, St. Louis, MO 63125.

(5) Information provided as of January 31, 2016 in Schedule 13G/A filed on February 10, 2016 by BlackRock, Inc., whose address is 55 East 52<sup>nd</sup> Street, New York, NY 10055. The report indicates that it has 4,215,426 shares with sole voting power, 4,336,179 shares with sole investment power, and no shares with shared voting power or shared investment power. The subsidiaries included in the report were as follows:



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BlackRock Advisors (UK) Limited	BlackRock Fund Advisors
BlackRock Advisors, LLC	BlackRock Institutional Trust Company, N.A.
BlackRock Asset Management Canada Limited	BlackRock Investment Management (Australia) Limited
BlackRock Asset Management Ireland Limited	BlackRock Investment Management (UK) Limited
BlackRock Asset Management Schweiz AG	BlackRock Investment Management, LLC

BlackRock Fund Advisors is a subsidiary of BlackRock, Inc. and beneficially owns 5% or greater of the outstanding shares of the Company's stock according to the report. No other subsidiary included in the report owns 5% or greater of the outstanding shares of the Company's stock according to the report.

- (6) Information provided as of December 31, 2015 in Schedule 13G filed on February 9, 2016 by Franklin Resources, Inc. ( FRI ), Charles B. Johnson and Rupert H. Johnson, Jr., each of whom have the following address: One Franklin Parkway, San Mateo, CA 94403-1906. These shares are beneficially owned by one or more open or closed-end investment companies or other managed accounts that are investment management clients of investment managers that are direct and indirect subsidiaries (collectively, the Investment Management Subsidiaries ) of FRI, including the following, none of which individually owns 5% or greater of the Company's shares:

Franklin Advisory Services, LLC	Franklin Advisers, Inc.
Franklin Templeton Investment Management Limited	

Investment management contracts grant to the Investment Management Subsidiaries investment and/or voting power over the securities owned by such investment management clients. Franklin Advisory Services, LLC has 1,440,000 shares with sole voting power and 1,640,400 shares with sole investment power. Franklin Advisers, Inc. has sole voting and sole investment power over 1,000,000 of the shares. Franklin Templeton Investment Management Limited has sole voting and sole investment power over 6,095 of the shares. The Schedule 13G indicates that there is neither shared voting power nor shared investment power with respect to the shares reported on the Schedule 13G. Charles B. Johnson and Rupert H. Johnson, Jr. (the Principal Shareholders ) each own in excess of 10% of the outstanding common stock of FRI and are the principal shareholders of FRI. FRI, the Principal Shareholders and each of the Investment Management Subsidiaries disclaim any pecuniary interest or beneficial ownership in any of these shares.

- (7) Information provided as of December 31, 2015 in Schedule 13G/A filed on February 10, 2016 by The Vanguard Group, Inc., whose address is 100 Vanguard Blvd., Malvern, PA 19355. The report indicates that it has 58,360 shares with sole voting power, 3,153,646 shares with sole investment power, 2,600 shares with shared voting power and 54,960 shares with shared investment power. The subsidiaries in the report, none of which owns 5% or greater of the Company's shares, were:

Vanguard Fiduciary Trust Company	Vanguard Investments Australia, Ltd.
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The following table sets forth aggregate information regarding the Company's equity compensation plans as of September 30, 2016.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders <sup>(1)</sup>	624,662		721,605
Equity compensation plans not approved by security holders			
Total	624,662		721,605

(1) Reflects the Company's 2006 Equity Incentive Plan and 2015 Equity Incentive Plan. Information on the above-referenced equity incentive plans is set forth in Note 3, Stock-based Compensation, of the Notes to Financial Statements in the Company's annual report on Form 10-K for fiscal year 2016.

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## Stock ownership guidelines and holding requirements for non-employee Directors and executive officers

To provide a direct link between Director, executive officer and shareholder interests, the Company adopted a stock ownership policy. The table below indicates the number of shares Directors and executive officers are expected to own under the policy.

Directors must retain 90% and executive officers must retain 75% of the net shares awarded to them under Company plans until they meet the stock ownership requirements. All Directors and executive officers are currently in compliance with the stock ownership policy.

### Stock ownership guidelines

Director	5x annual cash retainer
CEO	4x base salary
Executive Vice Presidents	3x base salary
Senior Vice Presidents	2x base salary
All other officers	1x base salary

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### **Corporate governance**

#### **Board and committee structure**

Our Board currently consists of eight Directors, seven of whom are independent. Under our Corporate Governance Guidelines, the Chair may be an officer or may be an independent member of the Board, at the discretion of the Board. The Board believes it should be free to use its business judgment to determine what it believes is best for the Company in light of all the circumstances. Mr. Glotzbach is currently Chairman of the Board.

Ms. Sitherwood, as Chief Executive Officer, focuses on setting the strategy for the Company, overseeing daily operations, developing our leaders and promoting employee engagement throughout the Company. As Chairman, Mr. Glotzbach leads the Board in the performance of its duties by working with the Chief Executive Officer to establish meeting agendas and content, engaging with the leadership team between meetings and providing overall guidance as to the Board's views and perspective.

During the 2016 fiscal year, there were 7 meetings of our Board of Directors. All Directors attended 75% or more of the aggregate number of meetings of the Board and applicable committee meetings, and all Directors attended the last annual meeting of shareholders.

The standing committees of the Board of Directors include the Audit, Compensation, Corporate Governance and Strategy Committees. During fiscal 2016, the Board voted to eliminate the Investment Review Committee and assign its duties related to oversight of the investments of the defined benefit qualified pension plans to the Compensation Committee.

#### ***Audit Committee***

The Audit Committee assists the Board of Directors in fulfilling the Board's oversight responsibilities with respect to the quality and integrity of the financial statements, financial reporting process and systems of internal controls. The Audit Committee also assists the Board in monitoring the independence and performance of the independent registered public accountant, the internal audit department and the operation of ethics and compliance programs. At fiscal year end, the Audit Committee members were Mr. Stupp as Audit Committee chair and Directors Fogarty, Glotzbach, Newberry and Van Lokeren. All Audit Committee members were determined by the Board to be independent and financially literate in accordance with the New York Stock Exchange requirements. Mr. Stupp has been determined to be the financial expert for the Audit Committee. The Audit Committee met five times in fiscal year 2016.

#### ***Compensation Committee***

The Compensation Committee assists the Board in the discharge of its responsibility relative to the compensation of the Company's executives, reviews and makes recommendations to the Board relative to the Company's incentive compensation and equity-based plans, makes recommendations to the Board regarding Director compensation, reviews management's risk assessment of the Company's compensation practices and programs and assists the Board in the oversight of succession planning for executive officers. The Committee also oversees the investments of the defined benefit qualified pension plans. At fiscal year end, the Committee members, all of whom were determined to be independent, were Directors Glotzbach (chair), Borer, Stupp and Van Lokeren. The Committee met six times

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in fiscal year 2016. There are no Compensation Committee interlocks. The Committee's retention of a compensation consultant is discussed later in the Compensation Discussion and Analysis.

### ***Corporate Governance Committee***

The Corporate Governance Committee considers and makes recommendations to the Board relative to corporate governance and its Corporate Governance Guidelines, assists the Board in identifying individuals qualified to become Board members and approves any related-party transactions. The Committee also recommends committee appointments to the full Board. At fiscal year end, the Committee members, all of whom were determined to be independent, were Directors Van Lokeren (chair), Fogarty, Jones and Newberry. The Committee met five times in fiscal year 2016.

### ***Strategy Committee***

The Strategy Committee oversees the Company's investment strategies, capital structure and financial needs, including leverage, liquidity and funding sources and related matters in the context of the corporate strategy. At fiscal year end, the Committee members were Directors Borer (chair), Glotzbach, Jones, Sitherwood and Stupp. The Committee met nine times in fiscal year 2016.

### ***Risk oversight***

Management is responsible for assessing and managing risk exposures on a day-to-day basis, and the Board is responsible for overseeing the Company's risk management. In its oversight role, the Board and its Committees ensure that the Company promotes a risk-aware culture and decision-making process. Several of the Board's Committees assist the Board in its risk oversight: the Audit Committee oversees the financial reporting, cybersecurity and related risks; the Compensation Committee oversees the compensation and pension plan funding risks; and the Strategy Committee oversees

the risks related to the Company's corporate development strategies, capital structure and financial needs.

At the management level, the Company has a disclosure committee that meets at least quarterly and oversees the implementation of the enterprise risk management process and assists in identifying, prioritizing and monitoring risks. Because of the use of commodity-based derivatives by three of the Company's subsidiaries, there is also a smaller risk committee that focuses on the risks and exposures in the commodity-based derivatives markets.

### ***Compensation risk assessment***

During the past year, management conducted a risk assessment of its overall compensation program. This risk assessment included consideration of the mix and amount of compensation:

In cash and equity;

With short-term and long-term performance goals;

With individual, business unit and corporate performance objectives; and

Dependent on financial and non-financial performance measurement.

The assessment also considered the risk mitigation impact of stock ownership guidelines and retention requirements, the use of multiple types of metrics, the caps set on incentive compensation, the role of the Compensation Committee and its independent consultant as well as the use of the Internal Audit department to assess documentation of performance on the incentive-based metrics. Management determined, and the Committee agreed, that the risks relative to the Company's compensation policies and practices would not result in a material adverse effect on the Company.





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### **Director independence**

The Board of Directors believes that a majority of the Directors should be independent and determined that the following members were independent: Borer, Fogarty, Glotzbach, Jones, Newberry, Stupp and Van Lokeren. Ms. Sitherwood, Chief Executive Officer and President, is the only non-independent member of the Board. In determining the independence of Directors, the Board found that none of the Directors, other than Ms. Sitherwood, has any material relationship with the Company other than as a Director. In making these determinations, the Board considers all facts and circumstances as well as certain prescribed standards of independence, which are included with our Corporate Governance Guidelines in the Corporate Governance portion of our website at [www.SpireEnergy.com/Investors/Corporate-Governance](http://www.SpireEnergy.com/Investors/Corporate-Governance). The Director Independence Standards adopted by the Board largely reflect the New York Stock Exchange standards, except the standards provide that the Board does not consider material the provision of natural gas service to any Director or immediate family member of the Director or Director-related company pursuant to the tariffed rates of the Company's utilities.

The independent members of the Board meet in executive session at least quarterly, which sessions are led by Mr. Glotzbach, the current Chairman of the Board. Each quarter, the Chairman solicits from other Board members topics for discussion in those sessions. Topics include, from time to time, the performance of the Chief Executive Officer, executive succession planning, executive compensation matters and the Company's strategy.

All of the members of the Audit, Compensation and Corporate Governance Committees are independent under our Director Independence Standards as well as under the standards of the New York Stock Exchange.

### **Corporate governance documents**

Our key corporate governance documents include:

Corporate Governance Guidelines;

Charters of each of the Audit, Compensation and Corporate Governance Committees;

Code of Business Conduct;

Financial Code of Ethics;

Related Party Transaction Policy and Procedures;

Policy Regarding the Approval of Independent Registered Public Accountant Provision of Audit and Non-Audit Services; and

Director Independence Standards.

All of these documents, other than the Policy Regarding the Approval of Independent Registered Public Accountant Provision of Audit and Non-Audit Services, are available at [www.SpireEnergy.com/Investors/Corporate-Governance](http://www.SpireEnergy.com/Investors/Corporate-Governance) section, and a copy of any of these documents will be sent to any shareholder upon request.

### ***Corporate governance guidelines***

The Board generally conducts itself in accordance with its Corporate Governance Guidelines. The Guidelines, among other matters, provide:

the independent Directors may elect a Lead Director if there is no independent Chair;

the Corporate Governance Committee will review with the Board, on an annual basis, the requisite skills, characteristics and qualifications to be sought in new Board members as well as the composition of the Board as a whole, including assessments of members' qualification as independent and consideration of diversity, age, skills and experience in the context of the needs of the Board;



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a Director who retires, changes employment or has any other significant change in his or her professional roles and responsibilities must submit a written offer to resign from the Board; the Corporate Governance Committee will then make a recommendation to the Board regarding appropriate action, taking into account the circumstances at that point in time;

Directors must limit their service to a total of three boards of publicly traded companies (including our Company) and should advise the Chairman of the Board and the Corporate Governance Committee Chair before accepting an invitation to serve on another public company board;

Directors are expected to attend the annual shareholder meeting and meetings of the Board and the committees on which they serve, and to spend the time needed and to meet as frequently as necessary to properly discharge their responsibilities;

the Board and its committees conduct annual assessments of their performance as well as assessments of the performance of each individual Director whose term expires at the next annual shareholder meeting who desires to stand for re-election;

Directors have access to executives of the Company;

the Board and each committee have the ability to hire independent legal, financial or other advisors as they may deem necessary, at the Company's expense, without consulting or obtaining the approval of any officer of the Company; and

all new Directors participate in the Company's orientation for new Directors, and Directors are encouraged to attend educational programs.

## ***Related party transaction policy and procedures***

We have adopted a written Related Party Transaction Policy and Procedures, which is used by our Corporate Governance Committee to determine whether to pre-approve transactions involving more than \$100,000 with our Directors, executive officers, 5% or greater shareholders, and their immediate family members. Based on its consideration of all of the relevant facts and circumstances, the Committee will decide whether or not to approve the transaction and will approve only those transactions that it determines to be in the best interest of the Company. If the Company becomes aware of an existing transaction with a related party that has not been approved under the policy, the matter will be referred to the Committee. The Committee will evaluate all options available including ratification, revision or termination of such transaction. While the Committee generally reviews and considers approval or ratification of related party transactions, the Board has delegated to the Corporate Governance Committee Chair the authority to pre-approve or ratify, as applicable, any related party transaction involving an aggregate amount of less than \$500,000. The policy also includes certain transactions that are deemed pre-approved because they do not pose a significant risk of a conflict of interest. Such pre-approved transactions include the provision of natural gas service to any of the related parties by our utility subsidiaries in accordance with their respective tariffed rates, transactions entered into pursuant to the competitive bid process and those transactions at such a level as not to be material to the Company or the related party. There were no related party transactions in fiscal year 2016 requiring Committee action.

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### ***Policy regarding the approval of independent registered public accountant provision of audit and non-audit services***

Consistent with SEC requirements regarding accountant independence, the Audit Committee recognizes the importance of maintaining the independence, in fact and appearance, of our independent registered public accountant. To this end, the Audit Committee adopted a policy to pre-approve all audit and permissible non-audit services provided by the independent accountant. Under the policy, the Committee or its designated member must pre-approve services prior to commencement of the specified service. Any pre-approvals by the designated member between meetings will be reported to the Audit Committee at its next meeting. The requests for pre-approval are submitted to the Audit Committee or its designated member, as applicable, by both the independent accountant and the Company's Chief Financial Officer or designee and must include (a) a written description of the services to be provided in detail sufficient to enable the Audit Committee to make an informed decision with regard to each proposed service and (b) a joint statement as to whether, in their view, the request or application is consistent with the SEC's and Public Company Accounting Oversight Board's (PCAOB) rules on auditor independence. The pre-approval fee levels are established and reviewed by the Audit Committee periodically, primarily through a quarterly report provided to the Audit Committee by management. Any proposed services exceeding these levels require specific pre-approval by the Audit Committee. Generally after review of the pre-approved services incurred each quarter, the Audit Committee resets the pre-approval dollar level.

At each regularly scheduled Audit Committee meeting, the Audit Committee shall review the following:

A report provided by management summarizing the pre-approved services, or grouping of related services, including fees; and

A listing of newly pre-approved services since its last regularly scheduled meeting.

### **Shareholder nominee recommendations and nominee qualifications**

Shareholders who wish to recommend nominees to the Corporate Governance Committee should make their submission to the Committee by September 27 preceding the annual meeting by submitting it to:

Corporate Governance Committee Chair  
c/o Spire Inc.  
700 Market Street  
St. Louis, MO 63101  
Attn: Corporate Secretary

Candidates properly recommended by shareholders will be evaluated by the Committee using the same criteria as applied to other candidates. While there is no set of specific criteria or policy on diversity for nominees, the Corporate Governance Committee generally will consider the appropriate skills and characteristics needed in light of the current make-up of the Board, including an assessment of the experience, age, skills and characteristics represented on the Board. Generally, the Committee looks for persons who evidence personal characteristics of the highest personal and professional ethics, integrity and values; an inquiring and independent mind and practical wisdom and mature judgment; and expertise that is useful to the Company and complementary to the background and experience of other Board members.

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### Correspondence with the Board

Those who desire to communicate with the independent Directors should send correspondence addressed to:

Chairman of the Board  
c/o Spire Inc.  
700 Market Street  
St. Louis, MO 63101  
Attn: Corporate Secretary

All appropriate correspondence is forwarded directly to the Chairman of the Board. The Company does not, however, forward spam, sales, marketing or mass mailing materials; product or service complaints or inquiries; new product or service suggestions; resumes and other forms of job inquiries; or surveys. However, any filtered information is available to any Director upon request.

### Section 16(a) beneficial ownership reporting compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our Directors and executive officers to file reports of holdings and transactions in Spire Inc. shares with the SEC

and the New York Stock Exchange. Based on our records and information, in fiscal year 2016 our Directors and executive officers met all applicable SEC reporting requirements.

### Audit Committee report

The Audit Committee of the Board of Directors is composed of five Directors who are independent as required by and in compliance with the applicable listing standards of the New York Stock Exchange and the rules of the Securities and Exchange Commission. The names of the Committee members as of the date of this proxy statement appear at the end of this report. The Committee operates under a written charter.

The primary function of the Audit Committee is oversight. Management is responsible for the preparation, presentation and integrity of the Company's financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting practices and policies; for establishing internal controls and procedures designed to provide reasonable assurance that the Company is in compliance with accounting standards and applicable laws and regulations; and for assessing the effectiveness of the Company's internal control over financial reporting.

Deloitte & Touche LLP ( Deloitte ), the Company's independent registered public accounting firm, is responsible for planning and performing an independent audit of the financial statements in accordance with the standards of the Public Company Accounting Oversight Board and to issue reports expressing an opinion, based on its audit (i) as to the conformity of the audited financial statements with generally accepted accounting principles and (ii) on the effectiveness of the Company's internal control over financial reporting. The Committee is responsible for the appointment, compensation and oversight of Deloitte.

In fulfilling its oversight responsibilities, the Committee reviewed and discussed the audited financial statements in the Company's 2016 Annual Report on Form 10-K with management and Deloitte, which included a discussion of the critical accounting policies and practices used by the Company. The Committee also discussed with Deloitte the matters required to be discussed under the applicable Public Company Accounting Oversight Board standards.



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Deloitte has provided the Committee with the written disclosures and letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence, and has discussed with Deloitte its independence.

Based on the reviews and discussions referred to above, the Committee recommended to the Board of Directors that the audited financial statements referred to above be included in the Annual Report on Form 10-K for the year ended September 30, 2016.

**Audit Committee**

John P. Stupp Jr., Chairperson  
 Maria V. Fogarty  
 Edward L. Glotzbach  
 Brenda D. Newberry  
 Mary Ann Van Lokeren

**Fees of independent registered public accountant**

The following table displays the aggregate fees for professional audit services for the audit of the financial statements for the fiscal years ended September 30, 2016 and 2015, and fees incurred for other services during those periods by the Company's independent registered public accounting firm, Deloitte & Touche LLP.

	2016	2015
Audit fees	\$2,225,000	\$ 1,775,000
Audit-related fees <sup>(1)</sup>	130,300	70,950
Tax fees <sup>(2)</sup>	35,000	52,600
All other fees <sup>(3)</sup>	2,000	2,500
Total	\$2,392,300	\$ 1,901,050

(1) Audit-related fees consisted of comfort letters, consents for registration statements, work paper reviews and audit consulting.

(2) Tax fees include assistance with tax planning, compliance and reporting.

(3) All other fees consisted of an annual subscription for the accounting technical library.

The total fees for fiscal 2016 were higher than 2015. The Audit Fee increased due to the addition of a statutory audit for Mobile Gas Service Corporation and incremental audit work related to the acquisition of EnergySouth, Inc. including the issuance of equity. Tax fees decreased as the tax consulting in 2016 consisted primarily of only the review of the Spire Inc. consolidated tax return. The Audit Committee pre-approved all of the fees for fiscal years 2016 and 2015. The Policy Regarding the Approval of Independent Registered Public Accountant Provision of Audit and Non-Audit Services is described earlier in this proxy statement.

**Directors' compensation**

The Compensation Committee periodically reviews Director compensation relative to data of the Company's comparator group provided by the Committee's independent consultant, which was Frederic W. Cook & Co., Inc. during

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fiscal 2016. The basic retainers and fees payable in fiscal year 2016 are set forth below. No retainers or fees are paid to Directors who are executives or employees of the Company and its subsidiaries.

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**Table of Contents****Board and committee fees and retainers**

Annual cash Board retainer	\$85,000
Chairman of the Board annual retainer	75,000
Audit Committee chair annual retainer	15,000
Compensation Committee chair annual retainer	10,000
Corporate Governance Committee chair annual retainer	10,000
Other Committee chair annual retainer	6,000
Annual stock Board retainer	100,000

The amount and form of the annual Board retainer are fixed from time to time by vote of the Board. For 2016, the annual retainer was \$185,000, of which \$85,000 was payable in cash and \$100,000 was payable in shares of our common stock. The number of shares is determined by dividing \$100,000 by the average closing stock price of our common stock during the 30-day period preceding the grant date and rounding to the nearest ten shares. Additionally, beginning February 1, 2016, Board members were to receive a per-meeting fee for each Board meeting in excess of seven and a per-meeting fee for each committee meeting in excess of six. For purposes of calculating whether the threshold had been surpassed, meetings held by telephone counted as half-meetings. At its October meeting, the Board voted to eliminate this per-meeting fee effective immediately.

Neither the Board nor any of its committees surpassed the applicable meeting threshold, so no Directors were paid any additional meeting fees. The table below discloses the compensation paid or earned by all those who served as Company Directors in fiscal year 2016. Not included in the table is the retirement plan for non-employee Directors in which participation and benefits have been frozen since November 1, 2002. Under that plan, a non-employee Director who had at least five years of service as a Director as of November 1, 2002, qualified for an annual payment after retirement in an amount equal to the Board retainer at November 1, 2002 (\$18,000) with such payments being made for the longer of 10 years or life. The only current Director eligible for benefits under the plan is Ms. Van Lokeren.

Name	Fees earned or paid in cash	Stock awards <sup>(1)</sup>	Nonqualified deferred compensation earnings <sup>(3)</sup>	Total
Borer	\$ 98,500	\$ 107,687	\$ 10,213	\$ 216,400
Fogarty	89,500	107,687	4,236	201,423
Glotzbach	178,000	107,687	79,142	364,829
Jones	63,750	110,475		174,225
Leness <sup>(2)</sup>	33,333			33,333
Maritz	69,333	107,687	16,796	193,816
Newberry	97,500	107,687	5,827	211,014
Stupp Jr.	108,500	107,687		216,187
Van Lokeren	103,000	107,687	91,576	302,263

(1) Amounts calculated are the grant date fair value of awards granted during the fiscal year using the provisions of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation-Stock Compensation (FASB ASC Topic 718), except that these amounts are exclusive of the estimate of forfeitures. See Stock-Based Compensation note to the consolidated financial statements in the Company's annual report on Form 10-K for the year ended September 30, 2016 for a discussion regarding the manner in which the fair value of these awards are calculated, including assumptions used.

(2) Mr. Leness retired immediately following the annual shareholder meeting on January 28, 2016.

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The table below provides more details relative to the restricted stock awards made under the Restricted Stock Plans for Non-Employee Directors and the 2015 Equity Incentive Plan that have not yet vested:

Name	No. of shares awarded in fiscal year 2016	Aggregate no. of shares awarded and not vested at 2016 fiscal year end
Borer	1,690	
Fogarty	1,690	
Glotzbach	1,690	5,275
Jones	1,690	
Leness		
Maritz	1,690	
Newberry	1,690	8,950
Stupp Jr.	1,690	5,275
Van Lokeren	1,690	

The February 2016 grants of 1,690 restricted shares under the 2015 Equity Incentive Plan had a six-month vesting requirement and vested on August 1, 2016 for all Directors except for Mr. Jones, whose shares were granted on February 22, 2016 when he joined the Board and vested on August 22, 2016.

(3) Represents above-market earnings in fiscal year 2016 on deferrals of fees and retainers by participating Directors in the Deferred Income Plans.

Stock awards to Directors were made under the Company's Restricted Stock Plan for Non-Employee Directors, amended and approved by shareholders in January 2009, until February 1, 2012. Under these awards, participants receive cash dividends on the Company's common stock and may vote the shares awarded even while the shares are restricted, but the restricted shares may not be sold, pledged or

otherwise transferred, except in accordance with the terms of the plan. Director Van Lokeren is fully vested in her awards under the plan, and Glotzbach and Stupp are half vested in their respective awards under the plan. The table below shows the vesting schedule for the remainder of Glotzbach's and Stupp's shares and all of Newberry's shares.

Name	Half of plan shares vest	All of plan shares vest
Glotzbach		Annual Meeting January 2017
Newberry	On 65 <sup>th</sup> birthday in 2018	Annual Meeting January 2019
Stupp Jr.		Annual Meeting January 2017

At the January 2012 annual meeting, shareholders approved amending the 2006 Equity Incentive Plan to allow Directors to be eligible participants, and no further grants have been or will be made under the Restricted Stock Plan for Non-Employee Directors.

The Directors are eligible to participate under the 2015 Equity Incentive Plan. As noted above, currently each non-employee Director is awarded an annual fixed-value stock grant in the amount of \$100,000.

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Executive compensation

Compensation Discussion and Analysis (CD&A)

Fiscal year 2016 Executive summary

For the fiscal year ended September 30, 2016, the Company reported an increase in consolidated net income to \$144.2 million from \$136.9 million for fiscal year 2015. Net economic earnings for 2016 were \$149.1 million, up from \$138.3 million for fiscal year 2015. Net income and earnings per share are determined in accordance with accounting principles generally accepted in the United States of America ( GAAP ). The increases from 2015 to 2016 were driven by results for the Gas Utility segment, including lower operating expenses. The Gas Marketing segment also reported improved performance from last year, reflecting higher volumes.

The Compensation Committee ( Committee ) believes that the actions taken by the Company s CEO and management team throughout fiscal year 2016 positively impacted the Company s results and positioned the Company for continued success.

The following graph evidences the Company s commitment to the pay-for-performance philosophy as it compares the Company s basic net economic earnings per share to the Annual Incentive Plan ( AIP ) amounts earned by the named executive officers ( NEOs ). Given that Mr. Lindsey began with the Company on October 1, 2012 and Mr. Dowdy began with the Company on January 1, 2014, and Mr. Rasche first became the Chief Financial Officer and thus an NEO for fiscal year 2014 on October 1, 2013, the graph excludes their AIP amounts for the performance periods prior to such dates. However, the graph reflects AIP amounts for each NEO s predecessor, where applicable. Basic net economic earnings per share is the key metric used to determine funding under the Company s AIP in 2016. The earnings in the graph are based on operations for the respective years reflected in the graph. Further explanation of net economic earnings is provided on [page 34](#) of this proxy statement.

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Basic Net Economic EPS Compared to NEOs Annual Incentive Award

The Company also emphasizes pay for performance by placing a majority of the executives' target total direct compensation ( TTDC ) at risk through the annual and equity incentive plans. TTDC includes the base salary at the end of fiscal year 2016, the 2016 target AIP opportunity, and the market value (target shares multiplied by grant date stock price) of the 2015 Equity Incentive Plan

( EIP ) awards made during fiscal year 2016. Further, the largest proportion of incentive pay, which is represented by the equity incentive award, focuses on long-term performance. The following graph shows the mix of fixed (base pay) and at-risk pay.

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Fiscal 2016 TTDC Components

The Committee regularly reviews the Company's compensation practices. The following illustrates the Company's governance around executive compensation:

Executive annual incentive awards are capped at 150% of target.

The performance multiplier for the performance shares granted under the EIP is capped at 165% for grants that vested in fiscal year 2016.

For equity grants made in fiscal year 2016, strong competitive results are emphasized through the opportunity for a 200% performance multiplier for the total shareholder return component of the EIP if the Company ranks at the top of its peers. Similarly, there is an opportunity for a 200% performance multiplier for the net economic earnings component of the EIP.

A majority of long-term incentive compensation (shares and value) is performance-contingent.

Non-vested equity awards are not accelerated after a change in control unless the executive is terminated or the award is not assumed or substituted by the successor company (i.e., double trigger).

The Company sponsors an Executive Severance Plan to standardize future severance benefits, limit benefit triggers to termination by the Company without cause or the participant's termination of his or her employment with the Company for good reason, and shorten the time period (relative to the original Management Continuity Protection Plan) after the occurrence of a change in control when such benefits may be triggered.

The Company does not enter into employment agreements or provide for excise tax gross-ups.

The supplemental pension plans are traditional plans that cover the compensation not included in the qualified pension plan due solely to tax limitations, and do not otherwise factor in additional compensation or additional years of service.

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Executives and directors are subject to stock ownership guidelines and retention requirements.

Dividends are not paid on performance-contingent awards prior to vesting.

The recoupment policy applies to all executive officers for performance-contingent awards made under the AIP and EIP commencing with fiscal year 2013.

The Company's policy generally prohibits hedging or pledging of stock.

## Executive compensation in fiscal year 2016

### Compensation overview and philosophy

The Committee establishes the executive compensation philosophy and assists the Board in the development and oversight of all aspects of executive compensation.

Our pay-for-performance compensation philosophy promotes our corporate strategy and creates shareholder value, while remaining equitable for the Company, its executives and its shareholders. The Committee believes that its compensation practices reflect a responsible pay-for-performance culture. The Committee seeks to deliver a total compensation package that balances short-term and longer-term compensation opportunities to ensure that the Company meets short-term objectives while continuing to produce value for its shareholders over the long term.

The Committee also promotes a competitive compensation program so as to attract, motivate and retain key executives. Each year it reviews the Company's pay program for its executive officers to evaluate the total

compensation in relation to the Company's peer group. The Company's compensation philosophy is to target total compensation in the median range of its peer comparator data, with actual pay dependent on Company results and individual performance and experience.

The Committee considered the results of the advisory say-on-pay proposal in January 2014 when making compensation decisions. A vast majority (95%) of the shares voted approved the compensation program described in the Company's proxy statement. The considered judgment of the Committee, which included taking into account the support from the shareholder vote, was that no significant changes to the executive compensation program were warranted.

In addition to the advisory say-on-pay proposal to be considered in January 2017, the Committee is also recommending a shareholder vote on seeking advisory approval on compensation of executive officers every year.

### Roles in executive compensation

The Committee implements and administers the Company's compensation philosophy and engages an independent compensation consultant to provide market reference perspective and to serve as an advisor. The compensation consultant serves at the request of, and reports directly to, the Committee, and does not perform other services for the Company. The Committee

determined that the compensation consultant is independent, and its work has not raised any conflicts of interest.

While the Committee receives advice on executive compensation from its compensation consultant, the Committee and the Board retain all decision-making authority to ensure that the decisions reflect the Company's pay-for-performance philosophy.

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The Committee engaged Frederic W. Cook & Co. ( Cook ) as its compensation consultant for fiscal year 2016.

In accordance with its responsibilities in maintaining the Company's executive compensation programs, the Committee periodically reviews its outside advisors and determines if a change would be appropriate. After working with Cook for several years, during fiscal year 2016, the Committee met with several other compensation consulting firms as part of its review. After considering

the services offered by several firms, the Committee elected to engage Semler Brossy Consulting Group LLC ( Semler Brossy ) as its independent compensation consultant for fiscal year 2017. After being engaged for fiscal year 2017, Semler Brossy also provided guidance on market data for certain fiscal year 2016 compensation decisions.

The table below outlines the roles and responsibilities of the various parties in determining and deciding executive compensation.

Party	Roles and responsibilities
Compensation Committee	Reviews and approves a compensation philosophy/policy with respect to executive officer compensation
	Reviews and approves on an annual basis the evaluation process and compensation structure for the Company's officers
	Reviews and recommends to the Board on an annual basis the corporate goals and objectives for the CEO's performance and assists the Board in evaluating the CEO's performance in light of those goals and objectives and then sets the CEO's current compensation, including salary, and short-term and long-term compensation
	Reviews and approves on an annual basis the corporate goals and objectives for the executive officers' performance and evaluates the performance of the Company's executive officers and approves the annual compensation, including salary, and short-term and long-term compensation, for such executive officers
	Administers and makes recommendations to the Board regarding cash and equity-based incentive plans
Independent compensation consultant	Reviews compensation risk assessment of the Company's compensation policies and practices
	Oversees the development of executive succession plans and assists the Board in developing and evaluating potential candidates for executive positions
	Advises the Committee on performance metrics and linkage between pay and performance
	Keeps the Committee informed of current industry and market trends
	Makes recommendations to the Committee on companies to consider as a comparator group
Independent members of Board	Presents findings relative to the competitiveness of the Company's executive compensation
	Develops a risk assessment of the Company's executive compensation
	Approves compensation of the CEO



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	Evaluates the performance of all Company executive officers
CEO	<p>Recommends base salary adjustments for those officers</p> <p>Recommends promotions, as appropriate</p> <p>Recommends awards under the AIP based on each executive officer's performance</p> <p>Recommends equity grants under the EIP to those officers, based on each officer's strategic role in executing the corporate strategy to build long-term shareholder value</p>
Other members of management	<p>Human Resources provides analyses, compensation data and information to the Committee and the independent compensation consultant to facilitate the Committee's review of compensation</p> <p>CFO provides reports on financial performance relative to the metrics included in the incentive programs as well as the financial impact of compensation decisions</p> <p>Internal Audit provides the results of its audit of performance relative to the metrics</p>

## Our named executive officers

The Company's NEOs for fiscal year 2016 consisted of the following individuals:

Suzanne Sitherwood	President and Chief Executive Officer
Steven P. Rasche	Executive Vice President, Chief Financial Officer
Steven L. Lindsey	Executive Vice President, Chief Operating Officer of Distribution Operations
Mark C. Darrell	Senior Vice President, General Counsel and Chief Compliance Officer
L. Craig Dowdy*	Senior Vice President, External Affairs, Corporate Communications and Marketing

\*Mr. Dowdy has resigned from the Company effective December 31, 2016 and thus will not be an NEO for fiscal year 2017.

## Compensation comparator group

Each year the Committee evaluates a number of factors when determining executive compensation levels to help ensure that pay opportunities being delivered to our executive officers are competitive with labor markets in which the Company competes for talent, including market data from surveys and other publicly available sources. While the Committee reviews the data to see how the Company's executive compensation levels compare to the median range of the Company's comparator group, decisions are not guided solely by such data as the Committee's focus is to make compensation decisions uniquely appropriate for the Company and the individual executive officer.

If any meaningful deviations from the market data are identified, the Committee reviews further to ensure that there is a rationale to support its decisions or considers appropriate steps to address such deviations.

To assist the Committee in its annual market review of executive officer compensation, the independent compensation consultant prepares an analysis of the market competitiveness of compensation for each executive officer. The independent compensation consultant's analysis includes a combination of survey and peer company pay information to establish competitive market rates for base salary and annual and long-term incentives for the executive officer positions to ensure our competitive market data is robust, reliable and objective on an ongoing basis. In making compensation decisions, the Committee uses:



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Third-party survey data from multiple databases, including an energy/utility industry database, which provides an additional market reference for consideration; and

Peer company data, which provides information regarding the pay levels and compensation programs at the companies competing in our industry, with whom we compete for executive talent.

Of the sources listed above, the Committee places more emphasis on our direct comparator group and broader energy/utility industry sources.

The data sources are proprietary third-party surveys, and the specific identity of respondents for any given position is not provided to the Company. Because of the large variance in size among participating companies within the third-party surveys, the independent compensation consultant conducts

analyses, including regression, to adjust the compensation data for differences in revenue and size. These adjustments are necessary to allow for appropriate size comparisons between our Company and the participating companies in the third-party surveys.

For each executive, the Committee considers a target total compensation to determine if there is sufficient compensation to retain and motivate the executive. If adjustments are needed to create greater alignment with the Company's compensation philosophy stated earlier in this CD&A, or to reflect unique circumstances at the Company, the Committee evaluates each component of TTDC (base salary, short-term incentive and long-term incentive targets) to determine where such adjustments may be required. In addition, the Committee considers other subjective factors in its compensation decisions, such as individual performance, experience, future potential and expertise.

**Table of Contents****Total Shareholder Return ( TSR ) peer group**

Annually, the independent compensation consultant reviews the peer group members and recommends a group composition to assure industry-appropriateness, business size and changes necessitated due to acquisitions and divestitures. The table below shows our peers for fiscal year 2016, as well as a comparison of peer group members for fiscal years 2014-2017. Last year, the Committee added NiSource Inc. to the list of peer companies for the relative TSR component of

the performance factors for the 2016 grant of performance-contingent restricted stock units. The addition of NiSource does not impact performance grants made in and prior to fiscal year 2015. For fiscal year 2017, Alliant Energy and Northwestern Corp. were added to the list of peer companies, and there were several companies removed due to acquisitions and company size. These changes to the peer group do not impact performance grants made in and prior to fiscal year 2016.

<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>
AGL Resources Inc.	AGL Resources Inc.	AGL Resources Inc.	
Atmos Energy Corp.	Atmos Energy Corp.	Atmos Energy Corp.	Alliant Energy Corp.
Avista Corp.	Avista Corp.	Avista Corp.	Atmos Energy Corp.
Black Hills Corp.	Black Hills Corp.	Black Hills Corp.	Avista Corp.
Chesapeake Utilities Corp.	Chesapeake Utilities Corp.	Chesapeake Utilities Corp.	Black Hills Corp.
New Jersey Resources Corp.	New Jersey Resources Corp.	New Jersey Resources Corp.	
		NiSource Inc.	New Jersey Resources Corp.
Northwest Natural Gas Co.	Northwest Natural Gas Co.	Northwest Natural Gas Co.	NiSource Inc.
	One Gas, Inc.	One Gas, Inc.	Northwest Natural Gas Co.
Piedmont Natural Gas Co., Inc.	Piedmont Natural Gas Co., Inc.	Piedmont Natural Gas Co., Inc.	Northwestern Corp.
South Jersey Industries, Inc.	South Jersey Industries, Inc.	South Jersey Industries, Inc.	One Gas, Inc.
Southwest Gas Corp.	Southwest Gas Corp.	Southwest Gas Corp.	
Vectren Corp.	Vectren Corp.	Vectren Corp.	South Jersey Industries, Inc.
WGL Holdings, Inc.	WGL Holdings, Inc.	WGL Holdings, Inc.	Southwest Gas Corp.
			Vectren Corp.
			WGL Holdings, Inc.

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**Components of executive compensation**

The table below provides the components and purposes of the Company's executive compensation.

Base salary	<p>Fixed portion of annual compensation</p> <p>Designed to attract and retain key executive talent and to reward leadership effectiveness</p> <p>Based on factors deemed relevant by the Company including:</p> <ul style="list-style-type: none"> <li>job responsibilities and performance in his or her position</li> <li>level of experience and expertise in a given area</li> <li>role in developing and executing corporate strategy</li> <li>current leadership and future potential</li> <li>comparison of salaries for similarly situated positions</li> </ul>
Annual incentive compensation	<p>Designed to motivate and reward short-term, annual results tied to corporate, business unit and individual performance objectives</p> <p>Annual incentive targets are a percentage of base salary</p> <p>Corporate earnings metric at threshold level of performance or higher is required for any payout</p> <p>Varying weightings of corporate, business unit and individual performance metrics, depending on the individual's role and position within the Company</p> <p>Actual payouts of awards may range between 0%-150% of target for our executive officers, based on actual results relative to corporate, business unit and individual performance metrics</p> <p>Long-term incentive awards consist of 25% restricted stock that vest based on time and 75% stock units that deliver an award based on performance</p>
Long-term incentive awards	<p>The time-based restricted stock grants have a three-year cliff vesting period, encourage retention and further tie executive compensation to stock appreciation during that vesting period</p> <p>The performance-contingent stock units vest based on performance over a three-year period relative to corporate metrics that reinforce our corporate initiatives: TSR performance relative to the peer group, corporate earnings and growth investment (growth investment is not a metric for grants made after fiscal year 2014)</p>
Employee health, welfare and retirement plans	<p>Executive officers generally participate in the same plans as other eligible employees</p> <p>Supplemental retirement plans provide non-qualified retirement benefits to highly compensated employees who are adversely affected by limits imposed on total benefits under the retirement plan. The retirement plans are described in more detail later in this proxy</p>

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Severance and other  
termination benefits

Executive Severance Plan and other plans and agreements provide payments in the event of termination, resignation or retirement following a change in control and provide security to executives so that they may focus on their work for the Company and its shareholders during a transaction or potential transaction; some agreements, including the Executive Severance Plan, provide for payments without a change in control

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After considering the aspects of each of the components, reviewing the market and peer data and other analyses from the independent compensation consultant, and considering the role, experience and expertise of each executive officer, the Committee determines the appropriate balance among the components of executive compensation in

the total compensation package. Generally, it determines whether to make certain market adjustments to base salaries, sets target opportunities under the AIP and equity grant levels under the EIP that, when combined, produce TTDC that is consistent with the stated compensation philosophy.

## Fiscal year 2016 executive compensation

### Base salary

In November 2015, the Committee approved merit increases for fiscal year 2016 in the salaries for the NEOs. The salary for Ms. Sitherwood was increased to \$825,000 from \$750,000, a 10% increase. This increase reflected a merit increase as well as a market adjustment to align her more with the CEOs in the comparator group. The average increase for Messrs. Rasche, Dowdy, Lindsey and Darrell was 7.3%, which reflected merit as well as market adjustments. The Committee determined that these salary adjustments properly reflected their contributions to the successful business growth while continuing to focus within their functional areas.

### Annual Incentive Plan

At the beginning of each fiscal year, the Board reviews and sets key performance metrics for the AIP based on the corporate business and strategic plan for the upcoming year. Actual awards to executives are then based on the fiscal year results of the Company and the business unit, if any, for which the executive performs services, as well as the executive's individual performance. Individual objectives for each NEO are set at the beginning of the fiscal year and relate to that executive's functional area of responsibility and are aligned with the corporate strategy.

The following table sets forth the 2016 AIP targets as a percentage of base salary and the weightings of the various metrics for the NEOs:

	Target % of base salary	Corporate	Business unit	Individual
Suzanne Sitherwood	90%	85%	%	15%
Steven P. Rasche	60	75		25
Steven L. Lindsey	60	40	35	25
Mark C. Darrell	50	75		25
L. Craig Dowdy	50	40	35	25

The corporate metric is basic net economic earnings per share for fiscal year 2016. Net economic earnings exclude from net income the after-tax impacts of fair value accounting and timing adjustments associated with energy-related transactions. These adjustments, which primarily impact the Gas Marketing segment, include net unrealized gains and losses on energy-related derivatives resulting

from the current changes in the fair value of financial and physical transactions prior to their completion and settlement, lower of cost or market inventory adjustments, and realized gains and losses on economic hedges prior to the sale of the physical commodity. In calculating net economic earnings, management also excludes from net income the





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after-tax costs related to acquisition, divestiture and restructuring activities, if any, when evaluating ongoing performance.

Management believes that excluding these items provides a useful representation of the economic impact of actual settled transactions and overall results of ongoing operations. These internal non-GAAP operating metrics

should not be considered as an alternative to, or more meaningful than, GAAP measures. More information regarding net economic earnings can be found in the Company's annual report on Form 10-K in the Earnings section of our Management's Discussion and Analysis of Financial Condition and Results of Operations. The table below shows the level of performance for the corporate metric.

Corporate metric	Threshold performance	Target performance	High performance	Actual performance	Resulting corporate metric payout percentage
Net economic earnings	\$3.10	\$3.43	\$3.65	\$3.43	100%

The business unit metric relates to the portion of the business over which an executive has the most control and influence. Mr. Lindsey, as President and Chief Executive Officer of Laclede Gas Company, and Chief Executive Officer of Alabama Gas Corporation ( Alagasco ), and Mr. Dowdy, with the responsibility for regulatory matters at Laclede

Gas Company and Alagasco, were assigned the Gas Utility business unit metric of operating income. Business unit operating income for annual incentive purposes removes the impacts related to acquisition, divestiture and restructuring activities and other nonrecurring items.

Business unit metric	Threshold performance	Target performance	High performance	Actual performance	Resulting business unit metric payout percentage
Gas Utility operating income	\$267.0 Million	\$296.0 Million	\$315.0 Million	\$296.0 Million	100%

Individual performance measures are generally subjective and relate to the manner in which the executive accomplishes his or her work during the year. This allows for assessment of the executive's leadership role in furthering the values and culture of the Company as well as its long-term success.

Performance status is reviewed periodically during the year and the Committee reviews the final evaluation shortly after the end of the fiscal year but awaits the audit results before approving the final payouts. Some discretionary adjustments may be applied where appropriate, and there are instances where objectives may be modified during the year, when warranted.

After evaluating the performance of the Company and the NEOs in fiscal year 2016, the Committee approved annual incentive awards. The awards for the NEOs reflected that the fiscal year was another successful and transformative year for the Company. Performance remains high across our leadership team, as evidenced by their leadership in the Company's continued execution of its growth strategy and with the achievement of the EnergySouth transaction and many integration projects in full swing after successful acquisitions in previous years.



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Ms. Sitherwood has led the executive team to achieve operational excellence with an improved safety record, producing financial results that met the Company's budget targets. Her vision has led the launch of the organization's transformation of the Spire name as a masterbrand across the various states in which we operate that will allow for smooth transition as we continue to grow.

Mr. Rasche's financial organization continues to deliver shared service excellence through the optimization of cash flow and the timely, efficient funding for enterprise growth, capital expenditures and infrastructure upgrades. His direction of the Information Technology function resulted in our system platform analysis for future services delivery, and the Stage Gate rollout assures continued process improvement and savings across the enterprise.

Mr. Lindsey's award reflected his leadership in continuing to drive significant improvement in safety and operational performance across all utilities, including record performance in distribution infrastructure upgrades. Positive customer growth was achieved at all utilities resulting in the highest customer counts in five years. Customer Experience metrics

improved across the board, including winning the J.D. Power business award (south region) at Alagasco for the second straight year. He directed the ongoing integration of the shared services and field operations within the distribution organization.

Mr. Darrell led the legal team responsible for due diligence, negotiating the agreement for and supporting the regulatory approval of the EnergySouth transaction; and the proxy solicitation and facilitation of the special shareholder meeting to approve the Spire name change with all required filings. His leadership is reflected in the continued process improvement within our legal, compliance, security and claims areas.

Mr. Dowdy's award reflected the success of the first stage of the Spire brand activation, which resulted in widespread external recognition and strong employee engagement. Under his leadership, the regulatory approval for the EnergySouth transaction was achieved well within the expected time constraints.

As a result of the performance on the various metrics, the NEOs earned the following amounts under the AIP.

	Corporate	Business unit	Individual	Total annual incentive plan payout (\$)	Total annual incentive plan payout as % of target
Suzanne Sitherwood	\$644,365	\$	\$185,635	\$830,000	109%
Steven P. Rasche	166,500		80,475	246,975	111
Steven L. Lindsey	94,339	82,546	85,494	262,379	111
Mark C. Darrell	137,164		66,296	203,459	111
L. Craig Dowdy	61,346	53,678	38,341	153,365	100

## Equity Incentive Plan awards

The Committee approves equity grants with approximately 75% of the value of long-term incentives being awarded as performance-contingent stock unit awards ( PCSUs ) and approximately 25% of the value being awarded in time-based restricted shares.

## Fiscal year 2016 grants for the period 10/1/15 – 9/30/18

On December 1, 2015, the Committee granted time-based restricted shares ( 2016 TBRs ) and performance-contingent stock units ( 2016 PCSUs ) to 25 officers, including all of



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the NEOs. Both the 2016 TBRs and the 2016 PCSUs are included in the Grants of Plan-Based Awards table in this proxy statement.

The 2016 TBRs fully vest on the third anniversary of the grant date if the recipient continues employment with the Company through that date.

The 2016 PCSUs consist of stock units that become eligible to vest after the performance period is complete and the Company's average earnings per share over the performance period exceed the annualized declared dividend per share for the common stock as of the award date ( Dividend Related Earnings ). If there are no Dividend Related Earnings, the units and related dividend equivalents shall be forfeited. If the Company meets the Dividend Related Earnings metric, the actual number of units that vest may be reduced by the Committee based on other factors.

The other factors that the Committee evaluates for the 2016 PCSUs are cumulative basic net economic earnings over fiscal years 2016-2018 and a TSR metric that compares the Company's TSR performance to its peer group, with these metrics each weighted at 50%. Performance under the average earnings per share growth metric is measured by calculating the three-year average. In the first year of the performance period, net economic earnings per share were \$3.43 on a non-diluted basis. Earnings per share for fiscal years 2017 and 2018 will be added to the 2016 earnings per share amounts for calculating the three-year average earnings per share to determine if performance at any level has been achieved.

These metrics include threshold, target and high performance levels that will be evaluated by the Committee. As of the grant date, the threshold level produces a 50% factor of the target level with respect to the net economic earnings metric, and a 60% factor of the target level with respect to the TSR metric. The high

performance level is 200% of the target level for each metric. Dividend equivalents on PCSUs will accrue throughout the performance period and will only be paid to the participants in proportion to the number of shares actually earned at vesting. No interest is paid on the accrued dividends.

The performance targets are considered to be confidential and competitive information, particularly to the extent the performance targets relate to projected Company financial data and strategy, neither of which the Company publicly discloses. The Committee believes that targeted levels of performance for the EIP grants are challenging and will not be achieved all of the time. The Committee also believes, at the time the performance goals were set, that high performance was set at levels that would require exceptional performance that is very difficult to achieve. Fiscal years 2010-2012, 2011-2013, 2012-2014, 2013-2015, and 2014-2016 are periods with relatively comparable EIP metrics to the fiscal years 2016-2018 performance objectives. The 2010-2012 grants vested at 72% of the target number of shares, the 2011-2013 grants vested at 123% of the target number of shares, the 2012-2014 grants vested at 113% of the target number of shares, the 2013-2015 grants vested at 121% of the target number of shares, and the 2014-2016 grants vested at 119% of the target number of shares.

With regard to the Committee's certification of performance, the Committee, which is comprised solely of independent Directors, reviews and discusses the calculations of the metrics to verify compliance with the terms of the award agreement, determines the level of performance achieved and the number of shares earned. The Committee then approves a resolution that reflects the Committee's determinations. The PCSUs will vest upon the Committee's certification as to performance.

**Table of Contents*****Prior grants that vested in fiscal year 2016***

In November 2013, the Committee approved the grant of time-based restricted shares and PCSUs to 20 current officers, including all NEOs, except for Mr. Dowdy who was not employed with the Company at that time. The time-based restricted shares vested on December 2, 2016.

The PCSUs were granted for the performance period of fiscal years 2014-2016. The vesting of those awards was contingent upon the attainment of three-year earnings per share growth, growth investment over the three-year performance period and attainment of three-year TSR to the peer group in place at the time of grant. TSR for the Company and peer group was calculated as follows:

Total share value at the end of the performance period	Minus	Average share price immediately prior to the grant
Average share price immediately prior to the grant		

Total share value at the end of the performance period is calculated as the average share price for the last quarter of the performance period (7/1/16-9/30/16) plus the value of reinvested dividends. Average share price immediately prior to the grant is calculated using the average share price for the last quarter immediately prior to the grant (7/1/13-9/30/13).

In reviewing the Company's performance over the period and in accordance with the terms of the EIP, the Committee determined the Company's performance level at the end of the period by averaging the earnings per share for each of fiscal years 2014, 2015 and 2016. The metrics and actual performance for these PCSUs were as follows:

	Weighting	Threshold performance	Target performance	High performance	Actual performance
Total shareholder return	30%	>= 25 <sup>th</sup> %tile	>= 50 <sup>th</sup> %tile	>= 75 <sup>th</sup> %tile	27 <sup>th</sup> %tile
Three year average NEEPS*	40%	\$2.88	\$3.05	\$3.25	\$3.23
Growth investment	30%	Investment of \$100 million	Investment of \$200 million	Investment of \$300 million	\$1.6 billion

\*Net economic earnings per share

On November 9, 2016, the Committee certified these performance outcomes, resulting in a total of 48,787 PCSUs vesting (representing 119% of target) for the NEOs. A total of 12,000 time-based restricted shares also vested for the NEOs over the last year. The table below shows the number of PCSUs and time-based shares, other than new hire grants, that vested for each NEO.

	PCsUs	Time-based
Sitherwood	20,973	5,875
Rasche	5,801	1,625
Lindsey	9,370	2,625
Darrell	6,693	1,875
Dowdy	5,950	

When Mr. Lindsey joined the Company on October 1, 2012, he was awarded 3,899 shares of time-based restricted stock. The time-based restricted stock vested over three years (50%/25%/25%). The third tranche vested on October 1, 2015.

When Mr. Dowdy joined the Company on January 1, 2014, he was awarded 1,500 shares of time-based restricted stock and 5,000 PCSUs. The time-based restricted stock vests over three years (50%/25%/25%). The second tranche vested on January 1, 2016. The third tranche and the

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PCSU's will vest on December 31, 2016 pursuant to the terms of Mr. Dowdy's individual severance agreement.

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### **Termination and change in control**

The Company believes it is important to provide officers the payment of benefits in the event of a termination, resignation or retirement after a change in control, particularly since it does not enter into employment agreements. In addition to the payments described below, the AIP and EIP benefits payable to the NEOs upon termination with or without a change in control are described in the Executive Compensation Tables.

#### **Executive Severance Plan**

Ms. Sitherwood and Mr. Lindsey participate in the Company's Executive Severance Plan. The Executive Severance Plan provides for a severance benefit if a participant's employment is terminated by the Company without cause or by the participant for good reason. No payment will be made on account of a participant's death or disability.

The severance benefit is a lump sum payment equal to the participant's applicable percentage (200% for Ms. Sitherwood and 150% for Mr. Lindsey, except in the event of a change in control, in which case the applicable percentages are 250% for Ms. Sitherwood and 200% for Mr. Lindsey), multiplied by the participant's base salary, plus a pro-rata bonus that would have been earned by the participant for the year of termination based on the achievement of actual performance targets. If there is a termination following a change in control, the applicable percentage will be adjusted under the plan. The Company will also pay for continued medical, dental and vision benefits for a period of up to 18 months from the date of the qualifying termination.

The plan defines a change in control as (i) one or more persons acquiring 20% or more of the Company's outstanding shares; (ii) replacement of a majority of the Board by individuals whose nominations were

not approved by a majority of the Board; or (iii) consummation of a reorganization, merger or consolidation that results in the Company's shareholders no longer owning more than 50% of the voting power of the surviving entity's outstanding securities.

A participant must sign a Confidentiality, Non-Disparagement, Non-Competition and Non-Solicitation Agreement and must execute a release in order to receive a payment under the plan.

#### **Individual severance agreements**

The hiring compensation package for Mr. Dowdy included an individual severance agreement, which will apply to his resignation, which is effective December 31, 2016. His individual severance agreement provides for:

##### ***Qualifying termination without change in control***

He would be entitled to a lump sum payment equal to one times his annual base salary, plus the target amount under the AIP for the fiscal year in which the qualifying termination occurs, as well as continued medical, dental and vision benefits for a period of up to 18 months from the date of the qualifying termination based on the same coverage level as of the date of termination.

##### ***Qualifying termination with change in control***

He would be entitled to a lump sum payment equal to two times his average annual compensation for the five-year period immediately preceding such qualifying termination, plus the target amount under the AIP for the fiscal year in which the qualifying termination occurs, as well as continued medical, dental and vision benefits for a period of up to 18 months from the date of the qualifying termination.



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### **Management Continuity Protection Plan**

The Management Continuity Protection Plan ( MCPP ) was adopted in 1991 and was most recently restated in 2011. Effective January 1, 2015, no new participants will enter the MCPP.

Of the NEOs, Messrs. Darrell and Rasche were covered by the MCPP at fiscal year-end. The MCPP provides for the payment of benefits to officers in certain termination events after a change in control, which is defined as when a person acquires more than 50% of the voting power of securities of the Company or if a person acquires between 30% and 50% of the voting power and the Board determines that a de facto change in control has occurred.

The MCPP provides for a lump-sum payment in an amount equal to the average annual compensation paid to a participant for the five-year period immediately preceding cessation of employment, multiplied by 2.99 for an Executive Vice President, or 2.00 for the other officers.

The MCPP does not provide benefit payments to those participants who have reached normal retirement age of 65 and provides no benefits if the officer is terminated for cause. The MCPP limits the amount of the benefit payable to an amount equal to the participant's average monthly compensation for the five-year period immediately preceding the cessation of employment multiplied by the number of months until the date the participant would reach normal retirement age of 65.

If, after a change in control, a participant in the MCPP is terminated other than for cause, resigns or retires within 54 months in the case of any Executive Vice President, or within 42 months in the case of all other officers, then the participant is entitled to the lump sum amount described above, provided, however, that the amount is reduced for each month the participant remains employed by the Company starting with the seventh month after the change in control. The amount of the reduction is 1/48 per month for an Executive Vice President and 1/36 per month for all other officers.

### **Other Company-provided benefits**

The Company believes retirement, health and welfare benefits serve an important role in the total compensation and benefits package offered to employees to assist in attracting and retaining key talent. The Company, through its subsidiaries, Laclede Gas Company, Alagasco, Mobile Gas Service Corporation and Willmut Gas & Oil Company, provides both Company-paid and voluntary health and welfare programs. The programs are reviewed periodically pursuant to the Company's intent to be competitive within the industry in terms of total compensation.

### **Retirement plans**

The Company offers its employees defined contribution 401(k) plans that provide Company matches for all employees, including the NEOs. All of the NEOs participated in the Laclede Gas Company Salary Deferral Savings Plan in 2016.

The NEOs participate in a qualified defined benefit retirement plan sponsored by Laclede Gas Company for its employees. For any NEO employed prior to January 1, 2009 (which only includes Mr. Darrell), benefit payments under this plan are based upon a participant's average final compensation and years of service. Effective January 1, 2009, the Company froze the years of service component of the formula and introduced a new defined benefit retirement formula derived from cash balance pay credits based on a participant's age. Laclede Gas Company also provides NEOs with nonqualified supplemental retirement

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plan benefits. More details relative to these plans are included in the Pension Benefits and Nonqualified Deferred Compensation sections later in this proxy statement.

### **Life insurance**

The Company provides a life insurance benefit for Ms. Sitherwood in an amount equal to \$500,000 while employed by the Company, and the Company provides a life insurance benefit for Messrs. Lindsey, Rasche, Darrell and Dowdy equal to 200% of base salary, subject to a maximum of \$1,500,000 while employed by the Company. Following retirement, the Company provides a life insurance benefit equal to 50% of the employee's active life insurance benefit, subject to a maximum of \$250,000 if under age 70, or 25% of the employee's active life insurance benefit, subject to a maximum of \$125,000, if age 70 or older. The costs for this coverage are included in the All Other Compensation column of the Summary Compensation Table.

### **Deferred income plans**

Since 1986, the Company has offered its directors, officers and certain key employees the opportunity to defer income under deferred income plans. More details on the plans are provided in the Nonqualified Deferred Compensation section later in this proxy statement.

### **Perquisites**

As a matter of business philosophy, the Company provides limited perquisites or personal benefits to executive officers (including the CEO). These limited perquisites include spousal travel to industry associations that encourage spousal attendance, and executive financial and tax planning. When an executive must relocate, perquisites may also include the payment of relocation expenses as well as the associated tax obligations.

## **Tax implications of the Committee's compensation decisions**

The Committee considers Section 162(m) of the Internal Revenue Code ( "Code" ) in the design of incentive plans to preserve the corporate tax deductibility of compensation. In some circumstances, however, the Committee recognizes that factors other than tax deductibility should be considered in

determining the forms and levels of executive compensation most appropriate and in the best interests of the Company and its shareholders. Annually, the Committee reviews all compensation programs and payments, including the tax impact on the Company.

## **Accounting information**

The Company accounts for equity incentive grants under FASB ASC Topic 718. The fair value of restricted stock awards is estimated using the closing price of the Company's common stock on the grant date or, for those with the total shareholder return modifier, as valued by a Monte Carlo simulation model that assesses probabilities of various outcomes of market conditions. Each year an independent

third party runs the Monte Carlo simulation, which is subject to the audit procedures of the Company's independent registered public accounting firm. During fiscal year 2016, the Company did not make any modifications to equity grants that resulted in a re-measurement of expense under the accounting rules.



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### Compensation Committee report

## **Actions taken**

The Committee's review of the Company's executive pay practices has resulted in a number of changes to the compensation program to improve the pay-for-performance integrity, align the interests of officers and shareholders and strengthen our governance commitment. We:

1. Modified the industry peer group for fiscal year 2017 to remove AGL Resources and Piedmont Natural Gas Co. Inc. as a result of those companies being acquired, and Chesapeake Utilities Corp. due to its size; and to include Alliant Energy and Northwestern Corp. This industry peer group will be used for determining the relative TSR component of PCSUs and provide supporting information regarding pay levels and programs at companies competing in our industry.
2. Utilized a third-party consultant data source consisting of participating energy/utility companies to provide the primary market references to assist the Committee in making its compensation decisions.
3. Approved for shareholder vote at the shareholders' meeting a new Executive Annual Incentive Plan to reward executives for achieving operational, financial and safety objectives that support shareholder value.
4. Continued the practice of awarding annual grants to executives from the Equity Incentive Plan based on fixed value for each position, with validation of the grant levels from competitive market data.
5. Reviewed the capabilities of several compensation consulting firms and, in keeping with the responsibilities of the Committee charter for a governance review of such providers, elected to retain Semler Brossy as its independent compensation consultant for fiscal year 2017.
6. Approved the development of an individual talent profile template that will be used in future succession planning and leadership development activities.

## **In summary**

The Committee has reviewed and discussed with Company management the CD&A section included in this proxy statement. Based on this review and discussion, the Committee recommended to the Board (and the Board has approved) that this CD&A be included in this

proxy statement and incorporated by reference in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2016.

## **Compensation Committee**

Edward L. Glotzbach, Chairman  
Mark A. Borer  
John P. Stupp Jr.  
Mary Ann Van Lokeren

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Executive compensation tables

Summary Compensation Table

The table that follows presents information about compensation for the Company's NEOs for the last three completed fiscal years.

*Salary* Salary includes amounts earned in the most recent fiscal year. In fiscal year 2016, the Committee approved adjustments to salaries of officers at its November meeting after the appointment of officers. The amounts in this column also include any amounts of salary that the NEO may have deferred under the Laclede Gas Company Salary Deferral Savings Plan and Deferred Income Plan. Salary deferred under the Deferred Income Plan also appears in the Executive Contributions in Last FY column of the Nonqualified Deferred Compensation table later in this proxy statement.

*Bonus* The amounts in this column represent sign-on or discretionary bonuses. Amounts under the Company's AIP are reported in the Non-Equity Incentive Plan Compensation column.

*Stock awards* The amounts in this column represent the aggregate grant date fair value calculated using the provisions of FASB ASC Topic 718 exclusive of the estimate of forfeitures. For those shares subject to performance-based conditions, the value reflects the probable outcome as of the grant date.

*Non-equity incentive plan compensation* This column includes incentive payments earned by the NEOs under the AIP. Further details relative to the Plan are in the CD&A.

*Change in pension value and nonqualified deferred compensation earnings* This column includes the aggregate change in the actuarial present value of the NEOs' accumulated benefit under the Laclede Gas Company Employees' Retirement Plan and the supplemental retirement plans, as well as the above-market or preferential earnings in fiscal year 2016 on deferrals in the Deferred Income Plan.

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## Summary Compensation Table

Name	Year	Salary	Bonus <sup>(1)</sup>	Stock awards <sup>(2)</sup>	Non-equity incentive plan compensation	Change in pension value and nonqualified deferred compensation earnings <sup>(3)</sup>	All other compensation <sup>(4)</sup>	Total
<b>Suzanne Sitherwood</b>	<b>2016</b>	\$820,673		\$1,548,808	\$830,000	\$170,628	\$123,094	\$3,493,203
President & CEO	<b>2015</b>	738,269	297,914	1,158,348	702,086	158,531	84,268	3,139,416
<b>Steven P. Rasche</b>	<b>2014</b>	641,250		1,099,521	751,005	128,877	13,253	2,633,906
	<b>2016</b>	359,154		496,991	246,975	69,355	43,201	1,215,676
	<b>2015</b>	336,585	100,000	408,614	220,348	60,819	26,220	1,152,586
Executive Vice President, Chief Financial Officer								967,355
<b>Steven L. Lindsey</b>	<b>2014</b>	310,616		337,646	240,895	52,465	25,733	
	<b>2016</b>	382,981		560,960	262,379	61,399	74,224	1,341,943
	<b>2015</b>	346,523	100,000	445,499	222,172	44,235	38,702	1,197,131
Executive Vice President, Chief Operating Officer of Distribution Operations								1,045,513
<b>Mark C. Darrell</b>	<b>2014</b>	315,670		449,258	216,889	47,346	16,350	
	<b>2016</b>	355,596		427,477	203,459	145,091	59,499	1,191,122
	<b>2015</b>	337,216	80,000	342,768	177,765	90,252	43,810	1,071,811
Senior Vice President, General Counsel and Chief Compliance Officer								1,041,394
<b>L. Craig Dowdy</b>	<b>2014</b>	310,816		353,000	201,662	128,154	47,772	
	<b>2016</b>	298,750		331,524	153,365	45,526	26,577	855,742
	<b>2015</b>	276,058	60,000	245,537	143,687	80,759	159,716	965,757
Senior Vice President, External Affairs, Corporate Communications and Marketing								1,057,535
	<b>2014</b>	206,250	150,000	524,426	95,057		81,802	

(1) The Committee approved special discretionary cash payments to the NEOs for fiscal year 2015 to recognize contributions and accomplishments of the NEOs that increased shareholder value and strengthened the Company's strategic direction.

(2) See the Stock-Based Compensation footnote of the consolidated financial statements in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2016 for discussions regarding the manner in which the fair value of these awards are calculated, including assumptions used. Further information regarding the 2016 awards is included in the Grants of Plan-Based Awards and Outstanding Equity Awards at Fiscal Year End tables elsewhere in this proxy statement. The maximum financial impact for the 2016 stock awards for the NEOs is as follows:

Sitherwood	\$2,105,213
Rasche	675,488
Lindsey	762,432
Darrell	580,938
Dowdy	450,522

The amounts for stock awards are presented excluding any actual or estimated forfeitures.



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- (3) The amounts shown below in the Above-Market Interest column are also included in the amounts in the Aggregate Earnings in Last FY column of the Nonqualified Deferred Compensation table for the deferred income plans.

	Increase in pension value	Above-market interest	Total
Sitherwood	\$ 147,445	\$ 23,183	\$170,628
Rasche	61,247	8,108	69,355
Lindsey	60,701	698	61,399
Darrell	136,763	8,328	145,091
Dowdy	45,526		45,526

- (4) The table below provides details on the amounts included in this column:

	401(k) match	Perquisites	Dividend equivalents	Other	Total
Sitherwood	\$ 11,996	\$ 17,309	\$ 93,789	\$	\$123,094
Rasche	12,786	17,589	12,826		43,201
Lindsey	12,727	13,399	48,098		74,224
Darrell	12,838	14,596	32,065		59,499
Dowdy	11,552	15,025			26,577

Perquisites include life insurance premiums, spousal travel and executive financial planning.

## Grants of plan-based awards

The plans under which grants in the table below were made are generally described in the CD&A in the AIP and EIP sections. Under the AIP, performance metrics and potential targets for awards are typically approved in November, with the determinations of earned award amounts made in the following November, based upon individual, business unit, if applicable, and corporate performance in the most recently completed fiscal year.

Equity awards are generally considered for grant in November each year, with the grant date being the first business day of December. Under the EIP, the Committee may grant performance-based awards, stock appreciation rights, stock options, restricted stock shares or restricted stock units.



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Name	Grant date	Action date	Estimated future payouts under non-equity incentive plan awards <sup>(1)</sup>			Estimated future payouts under equity incentive plan awards <sup>(2)</sup>			All other stock awards <sup>(3)</sup>	Grant date fair value <sup>(4)</sup>
			Threshold	Target	Maximum	(In shares) Threshold	Target	Maximum		
Sitherwood	11/19/15	11/19/15	\$371,250	\$742,500	\$1,113,750					
	12/01/15	11/19/15				10,390	18,890	37,780	6,290	\$1,548,808
Rasche	11/19/15	11/19/15	108,000	216,000	324,000					
	12/01/15	11/19/15				3,333	6,060	12,120	2,020	496,991
Lindsey	11/19/15	11/19/15	115,500	231,000	346,500					
	12/01/15	11/19/15				3,762	6,840	13,680	2,280	560,960
Darrell	11/19/15	11/19/15	88,750	177,500	266,250					
	12/01/15	11/19/15				2,866	5,210	10,420	1,740	427,477
Dowdy	11/19/15	11/19/15	75,000	150,000	225,000					
	12/01/15	11/19/15				2,222	4,040 (5)	8,080	1,350	331,524

(1) These columns show the range of payouts for performance in fiscal year 2016. The amounts paid in fiscal year 2017 but earned based upon performance in fiscal year 2016 are included in the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table and are based on the metrics described in the CD&A.

(2) These columns show the range of payouts for the performance-contingent stock unit awards granted in fiscal year 2016.

(3) This column shows the number of shares of time-based restricted stock granted in fiscal year 2016 as to which the restrictions will lapse on December 1, 2018. Details of each grant are listed in the Outstanding Equity Awards at Fiscal Year End table.

(4) This column provides the grant date fair value using the provisions of FASB ASC Topic 718, exclusive of the estimate of forfeitures. For those shares in the Estimated Future Payouts Under Equity Incentive Plan Awards columns, the value reflects the probable outcome on the grant date and is the same as the amount included for such shares in the Stock Awards column for 2016 in the Summary Compensation Table.

(5) Due to Mr. Dowdy's resignation effective December 31, 2016, this award will be prorated.

In December 2015, EIP awards were made to Ms. Sitherwood and Messrs. Rasche, Lindsey, Darrell and Dowdy. These awards included performance-contingent stock units that vest upon the attainment of multi-year performance objectives. Under the terms of the awards, these units may vest if certain corporate performance metrics for the 2016-2018 fiscal year performance period are met or exceeded. The performance criteria for the units granted in fiscal year 2016 are the cumulative three-year average net economic earnings per share growth over fiscal years 2016-2018 and a relative total shareholder return metric that are weighted at 50% each. If the performance contingency is not satisfied for the fiscal years 2016-2018 performance period, the awards will be forfeited. At the conclusion of the performance period, payouts can range from 0% to 200% of target for each component. After vesting, executives are expected to retain 75% of vested shares until

their stock ownership requirements are met. In the event of a change in control, vesting may accelerate at the target level on a pro rata basis if the awards have not already been forfeited and the successor does not assume the award or provide a comparable award, provided that the assumed or replacement award must provide that the vesting will be accelerated if the participant is terminated without cause within 24 months of the change in control. If a participant leaves the Company due to death, disability or retirement, the participant's award may vest on a pro rata basis if the performance metrics are met. Dividend equivalents on performance-contingent restricted grants are accrued throughout the performance period and paid to the participant in proportion to the amount of shares actually earned at vesting. No interest is paid on the accrued dividends. More details on these awards are included in the Equity Incentive Plan Award section of this CD&A.

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## Outstanding Equity Awards at Fiscal Year End

Name	Stock award grant date	No. of shares or units of stock that have not vested	Market value of shares or units of stock that have not vested <sup>(1)</sup>	Stock award vesting date	Equity incentive plan awards: no. of unearned shares, units or other rights that have not vested <sup>(3)</sup>	Equity incentive plan awards: market or payout value of unearned shares, units or other rights that have not vested
Sitherwood	12/2/13	5,875	\$374,473	12/2/16	17,625	\$1,123,418
	12/1/14	6,296	401,307	12/1/17	18,887	1,203,857
	12/1/14	2,963	188,862	12/1/17		
	12/1/15	6,290	400,925	12/1/18	18,890	1,204,049
Rasche	12/2/13	1,625	103,578	12/2/16	4,875	310,733
	12/1/14	1,975	125,887	12/1/17	5,925	377,660
	12/1/14	1,823	116,198	12/1/17		
	12/1/15	2,020	128,755	12/1/18	6,060	386,264
Lindsey	12/2/13	2,625	167,318	12/2/16	7,875	501,953
	12/1/14	2,370	151,064	12/1/17	7,110	453,191
	12/1/14	1,302	82,989	12/1/17		
	12/1/15	2,280	145,327	12/1/18	6,840	435,982
Darrell	12/2/13	1,875	119,513	12/2/16	5,625	358,538
	12/1/14	1,802	114,859	12/1/17	5,407	344,642
	12/1/14	1,069	68,138	12/1/17		
	12/1/15	1,740	110,908	12/1/18	5,210	332,085
Dowdy	1/2/14	1,625	103,578	1/1/17	4,875	310,733
	1/2/14	375	23,903	1/1/17	5,000	318,700
	12/1/14	1,481	94,399	12/1/17	4,444	283,261
	12/1/14	164	10,453	12/1/17		
	12/1/15	1,350	86,049	12/1/18	4,040	257,510

(1) The dollar amounts in this column reflect the value calculated at \$63.74 per share, the closing price of the Company stock on September 30, 2016.

(2) With respect to the grant of 1,500 restricted shares to Mr. Dowdy on January 2, 2014, 50% (750 shares) vested on January 1, 2015 and 25% (375 shares) vested on January 1, 2016. The remaining shares vest as follows:

## Grant date Vesting date

1/2/14 25% upon Mr. Dowdy's resignation effective December 31, 2016

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(3) Vesting dates, performance periods and levels of awards, assuming performance metrics are met, are provided below:

Grant date	Performance period	Vesting date	Name	Threshold	Target	Maximum
12/2/13	10/1/13-9/30/16	12/2/16	Sitherwood	8,813	17,625	29,081
			Rasche	2,438	4,875	8,043
			Lindsey	3,938	7,875	12,993
			Darrell	2,813	5,625	9,281
			Dowdy*	4,938	9,875	16,293
12/1/14	10/1/14-9/30/17	12/1/17	Sitherwood	9,444	18,887	37,774
			Rasche	2,963	5,925	11,850
			Lindsey	3,555	7,110	14,220
			Darrell	2,704	5,407	10,814
			Dowdy	2,222	4,444	** 8,888
12/1/15	10/1/15-9/30/18	12/1/18	Sitherwood	10,390	18,890	37,780
			Rasche	3,333	6,060	12,120
			Lindsey	3,762	6,840	13,680
			Darrell	2,866	5,210	10,420
			Dowdy	2,222	4,040	** 8,080

\*Grant date 1/2/14; Performance period 10/1/13 - 9/30/16; Vesting date 12/ 31/16, which is the effective date of his resignation.

\*\*Due to Mr. Dowdy's resignation effective December 31, 2016, these awards will be prorated based on months worked during the performance period.

## Option Exercises and Stock Vested in Fiscal 2016 Table

None of the NEOs had any stock options to exercise in fiscal year 2016, so those columns do not appear in the table below. The value column reflects the shares acquired on vesting multiplied by the closing price on the vesting date.

Name	No. of shares acquired on vesting	Value realized on vesting
Sitherwood	22,571	\$1,286,547
Rasche	3,170	180,690
Lindsey	12,550	712,991
Darrell	7,550	430,350
Dowdy	375	22,131

## Pension plan compensation

The NEOs participate in the Laclede Gas Company Employees' Retirement Plan, a tax-qualified defined benefit plan sponsored by Laclede Gas Company. Effective January 1, 2009, Laclede Gas Company amended its plan to change the way benefits are calculated. Prior to that date, the Plan provided benefits based on a final pay formula that used a participant's

years of credited service and average final compensation. The average final compensation is the highest consecutive three-year average of the final 10 years of employment. Participants' years of credited service under the plan were frozen as of December 31, 2008; however, the average final pay was not frozen and will continue to be based on the highest three-year



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average in the final 10 years of employment. Benefits under the plan formula in effect prior to January 1, 2009 are referred to as grandfathered benefits. With respect to annual incentive compensation paid on or after January 1, 2013, average final compensation will exclude such incentive compensation for purposes of the grandfathered benefit. Of the NEOs, only Mr. Darrell has grandfathered benefits.

While normal retirement age under the plan is age 65, participants may retire at age 60 with 10 or more years of service without reduction of the grandfathered benefit for early retirement. Retirement at age 60 is assumed in calculating the grandfathered benefit for Mr. Darrell.

On and after January 1, 2009, the plan uses a cash balance formula that provides: (i) a cash balance credit between 4-10% of compensation depending on the participant's age, and (ii) interest credits using a rate equal to an average of corporate bond rates published by the Internal Revenue Service. Benefits under the plan formula in effect on and after January 1, 2009 are referred to as current benefits. The cash balance credit and interest credit are applied as of December 31 of each year, on an average monthly basis, with interest compounded monthly. During fiscal year 2016, cash balance credits were as follows:

Sitherwood	9%
Rasche	9
Lindsey	8
Darrell	9
Dowdy	10

The early retirement amount of the current benefits will be the amount credited in the participant's cash balance account in the case of a lump sum payment. If an annuity is taken at early retirement, the benefit will be the actuarial equivalent of the lump sum amount.

The Code generally places a limit on the amount of the annual pension that can be paid from a tax-qualified plan as well as on the amount of annual earnings that can be used to calculate a pension benefit. Since 1977, Laclede Gas Company has maintained a Supplemental Retirement Benefit Plan, a nonqualified plan that covers benefits that accrued through December 31, 2004 and that pays eligible employees the difference between the amount payable under the tax-qualified plan and the amount they would have received without the limits on the qualified plan. The Company adopted the Supplemental Retirement Benefit Plan II to comply with section 409A of the Code, which covers benefits accrued from January 1, 2005 through December 31, 2008. It also adopted the Cash Balance Supplemental Retirement Benefit Plan to provide similar supplemental benefits for those that accrue on and after January 1, 2009 under the new pension plan formula.

Please note the following relating to the benefits shown in the table below:

the Supplemental Retirement Benefit Plans are unfunded and subject to forfeiture in the event of bankruptcy;

the years of credited service in the table are the same as the executives' years of actual service as of December 31, 2008, when years of service were frozen for all participants;

the compensation used to determine current and grandfathered benefits under the Plans include the amounts in the Salary column and, for periods prior to January 1, 2013, the amount attributable to payments under the AIP in the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table; and

executives at the Company are subject to mandatory retirement at age 65 unless the Board of Directors asks them to continue working past that age.

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The pension benefits in the table below were calculated using:

the September 30, 2016 measurement date;

the same assumptions as described in Note 2, Pension Plans and Other Postretirement Benefits, of the consolidated financial statements in the Company's annual report on Form 10-K for the fiscal year ended September 30, 2016, except retirement at the greater of 60 or the executive's actual age as noted above was used for the grandfathered benefit and, as required, no income growth assumption or forfeiture assumption was used;

for the grandfathered benefit, the greater of:

years of service, multiplied by the sum of 1.7% of Social Security covered compensation (a 35-year average of Social Security maximum bases) plus 2.0% of the highest average normal compensation during a 36-month period in the 10 years prior to the measurement date in excess of Social Security covered compensation; and

the highest average normal compensation during a 36-month period in the 10 years prior to the measurement date, multiplied by (i) years of service, and (ii) the benefit factor of 2.1%, less the executive's estimated Social Security benefit multiplied by 1.25% for each year of service up to a maximum of 40 years.

the assumption of a 90% probability that the participant elects a lump sum equivalent of the monthly annuity amount described above.

**Pension Benefits Table**

Name	Plan name	No. of years credited service <sup>(1)</sup>	Present value of accumulated benefit	Payments during last year
Sitherwood	Laclede Gas Company Employees Retirement Plan		\$132,337	\$
	Supplemental Retirement Benefit Plans		500,126	
Rasche	Laclede Gas Company Employees Retirement Plan		179,227	
	Supplemental Retirement Benefit Plans		102,706	
Lindsey	Laclede Gas Company Employees Retirement Plan		96,962	
	Supplemental Retirement Benefit Plans		103,781	
Darrell	Laclede Gas Company Employees Retirement Plan	4.67	580,475	
	Supplement Retirement Benefit Plans	4.67	341,616	
Dowdy	Laclede Gas Company Employees Retirement Plan		74,634	(2)
	Supplemental Retirement Benefit Plans		51,651	

(1) As noted above, years of credited service were frozen as of December 31, 2008.

(2) Mr. Dowdy was not vested in his benefits under the Laclede Gas Company Employees Retirement Plan as of September 30, 2016. Mr. Dowdy will forfeit these benefits on December 31, 2016.

**Nonqualified deferred compensation**

The amounts in the table below include contributions by the executive and earnings on those contributions under the Laclede Gas Company Deferred Income Plan II, which covers deferrals through December 31,

2004, and the Spire Inc. Deferred Income Plan (formerly known as The Laclede Group Deferred Income Plan), which covers deferrals on and after January 1, 2005 and represents the deferred income plan as modified to comply



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with section 409A of the Code. The amounts relative to these plans are in the first line of the table for each executive.

The Deferred Income Plan II:

allowed participants, including the NEOs, to defer up to 15% of salary;

provides earnings on the deferrals based on Moody's corporate bond average rate plus percentage ranging from 1% to 3%, which percentage varies depending on the age of the participant at the beginning of that plan year;

provides for death and disability income benefits that are payable in annual installments over a 15-year period following termination of employment due to total disability or death;

provides retirement income benefits under the plan payable in annual installments over a 15-year period but the payments continue for the participant's life if the participant retires at age 65 or later; and

provides for a lump sum payment to the participant in the event of termination within two years following a change in control. The lump sum payment will be equal to the greater of (i) the present value of the deferral account balance projected under the minimum retirement income formula through age 65, or (ii) the actual deferral account accumulated through the termination date.

The Spire Inc. Deferred Income Plan provides similar benefits, except that participants are able to defer up to 50% of salary and up to 90% of any AIP award. Further, the retirement benefits in all circumstances are payable in 15 annual installments and benefits payable in the event of death or disability are payable in a lump sum. However, in 2008, participants were offered a one-time opportunity under the transitional relief issued by the IRS under section 409A of the Code to elect a lump sum payment alternative for retirement benefits. The Spire Inc. Deferred Income Plan was amended effective January 1, 2016 to remove above-market interest for future deferrals.

## Nonqualified Deferred Compensation Table

Name		Executive contributions in last FY <sup>(1)</sup>	Company contributions in last FY	Aggregate earnings in last FY <sup>(2)</sup>	Aggregate withdrawals/ distributions	Aggregate balance at last FYE
Sitherwood	Deferred Income Plan	\$371,442		\$47,461		\$824,199
Rasche	Deferred Income Plan	150,316		17,009		320,783
Lindsey	Deferred Income Plan	14,712		1,828		34,933
Darrell	Deferred Income Plans	25,962		14,788		216,606
Dowdy	Deferred Income Plan					

(1) The amounts in this column are also included in the Salary column of the Summary Compensation Table.

(2) The amounts attributable to above-market interest on nonqualified deferred compensation in the Change in Pension Value and Nonqualified Deferred Compensation Earnings column in the Summary Compensation Table and identified in footnote 3 to that table are also included in this column.

## Potential payments upon termination or change in control

This section describes the potential payments and benefits to which the NEOs would have been entitled upon termination of employment, including termination of employment following a change in control, as if such termination had

occurred on the last trading day of our fiscal year September 30, 2016 using the New York Stock Exchange closing price of \$63.74 per share of the Company's stock on that date. The discussion does not include payments and





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benefits to the extent they are generally provided on a non-discriminatory basis to salaried employees upon termination of employment. The following table sets forth the potential payments to the NEOs upon the termination of

their employment with the Company, including a termination of employment following a change in control. The table does not include retirement plan benefits payable to the executives shown in the Pension Benefits Table.

	Cash severance <sup>(1)</sup>	Annual incentive plan payment <sup>(2)</sup>	Equity grants <sup>(3)</sup>	Deferred income plan <sup>(4)</sup>	Health benefits <sup>(5)</sup>	Reduction due to 280G <sup>(6)</sup>	Total payment
<b>Suzanne Sitherwood</b>							
Voluntary Termination	\$	\$742,500	\$	\$ 824,199	\$	\$	\$1,566,699
Retirement		742,500		824,199			1,566,699
Disability		742,500	3,153,034	909,563			4,805,097
Death		742,500	3,153,034	924,457			4,819,991
Involuntary							
Termination	2,392,500	742,500		824,199	10,003		3,969,202
Change-in-Control	2,805,000	742,500	3,895,919	895,899	10,003	(7)	8,349,322
<b>Steven P. Rasche</b>							
Voluntary Termination		216,000	691,261	320,783			1,228,044
Retirement		216,000	691,261	320,783			1,228,044
Disability		216,000	972,790	347,903			1,536,693
Death		216,000	972,790	364,004			1,552,794
Involuntary							
Termination		216,000	691,261	320,783			1,228,044
Change-in-Control	1,531,246	216,000	1,225,977	343,235		(750,716) <sup>(8)</sup>	2,565,742
<b>Steven L. Lindsey</b>							
Voluntary Termination		231,000		34,277			265,277
Retirement		231,000		34,933			265,933
Disability		231,000	1,290,832	36,408			1,558,240
Death		231,000	1,290,832	38,303			1,560,135
Involuntary							
Termination	808,500	231,000		34,277	29,250		1,103,027
Change-in-Control	1,001,000	231,000	1,578,922	35,996	29,250		2,876,168
<b>Mark C. Darrell</b>							
Voluntary Termination		177,500	698,994	216,606			1,093,100
Retirement		177,500	698,994	216,606			1,093,100
Disability		177,500	954,507	239,885			1,371,892
Death		177,500	954,507	241,438			1,373,445
Involuntary							
Termination		177,500	698,994	216,606			1,093,100
Change-in-Control	1,590,734	177,500	1,173,385	235,669			3,177,288
<b>L. Craig Dowdy</b>							
Voluntary Termination		150,000	1,110,456				1,260,456
Retirement		150,000	1,110,456				1,260,456
Disability		150,000	1,111,823				1,261,823
Death		150,000	1,111,823				1,261,823
Involuntary							
Termination	450,000	150,000	1,110,456		29,250		1,739,706
Change-in-Control	1,367,402	150,000	1,301,357		29,250	(9)	2,848,009

(1) Ms. Sitherwood and Mr. Lindsey are participants in the Executive Severance Plan, which provides for a cash payment in the event of either involuntary termination or termination within 24 months after a change in control. The cash payment is based on a multiple of two times the sum of salary and prorated annual incentive target in the event of involuntary termination for Ms. Sitherwood and 1.5 times for Mr. Lindsey, and a multiple of 2.5 times the sum of salary and full year annual incentive target in the event of termination after a change in control for Ms. Sitherwood and two times for Mr. Lindsey.

The hiring compensation package for Mr. Dowdy included a severance agreement. Mr. Dowdy's severance agreement will apply to his resignation on December 31, 2016. This agreement provides for cash payments due upon termination with or without a change in control, including termination without cause and resignation. The cash payment due as a result of termination is equal to annual salary plus the annual incentive target for the entire fiscal year. In the event of a termination following a change in control, the cash payment is equal to two times the executive's average annual W-2 compensation plus the

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annual incentive target for the entire fiscal year.

Messrs. Rasche and Darrell are covered by the Management Continuity Protection Plan ( MCPP ). The potential payments to these officers are limited to termination within 54 months for Mr. Rasche and 42 months for Mr. Darrell after a change in control. This cash payment for Mr. Rasche is equal to 2.99 times average annual W-2 compensation, and this cash payment for Mr. Darrell is equal to 2.0 times average annual W-2 compensation.

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- (2) Upon a change in control, any awards under the Annual Incentive Plan are deemed earned at a prorated target based on the number of completed days in the fiscal year prior to the change in control. This payment takes place whether or not a termination occurs. The AIP's definition of change in control mirrors the definition in the Executive Severance Plan.

If a participant's employment ceases due to termination without cause or by death, disability or retirement, the participant is eligible to earn an award on a pro rata basis based upon Company performance and the participant's achievement of individual metrics.

- (3) Participants, including the NEOs, have outstanding performance-contingent restricted units and restricted stock under the EIP. The EIP uses the same definition of change in control that is used in the AIP and the Executive Severance Plan. As Ms. Sitherwood and Mr. Lindsey are not retirement-eligible, there is no accelerated vesting of any performance-contingent stock units or restricted stock.

*Performance-Contingent Stock Units.* These awards generally provide for vesting of stock units on the third anniversary of the grant date that falls after the end of the performance period, to the extent that the Committee determines and certifies that the performance contingency has been met or exceeded. A participant forfeits all non-vested awards upon the participant's termination of employment for cause.

If during the performance period a participant dies or leaves the Company due to retirement or disability, the participant remains eligible to earn a prorated award based on the number of full months as a participant during the performance period, as the Committee may determine, if the performance contingency is satisfied.

In the event of a change in control, the outstanding awards granted shall be deemed earned and vest at a prorated target, based on the number of months completed in the performance period at the time of the change in control, if the award is not assumed or replaced with a comparable award by the successor or surviving entity. If the successor or surviving entity does not assume or replace the award, the award will trigger a benefit at a prorated target based on the number of full months as a participant if the participant is involuntarily terminated without cause within two years of the change in control. Dividend equivalents on performance-contingent awards are accrued throughout the performance period and paid to the participant in proportion to the amount of shares actually earned at vesting, up to the amount of dividends that would have been paid on the target number of shares. In the event of a change in control, accrued dividend equivalents would be paid on the same prorated basis as mentioned above. The same amounts would be payable in the event of a participant's death, retirement or termination of employment due to disability if the target level of performance is achieved. As a result of being retirement-eligible at the time of any termination, PCSU grants would vest on a pro-rata basis for the following individuals, at a value of:

Rasche	\$691,261*
Darrell	698,994*

\*These amounts are included in the Equity Grants column.

In the event of involuntary termination or change in control, Mr. Dowdy's agreement provides for full vesting of his new hire PCSU grants and prorated vesting of other PCSU grants based on actual performance.

*Restricted Stock.* These shares generally provide for vesting on the third anniversary of the grant date. A participant forfeits all non-vested shares upon the participant's termination of employment for any reason prior to vesting, other than as a result of a change in control or mandatory retirement requirements.

If a participant's employment is terminated by the Company without cause within two years following a change in control, the shares become vested on the earlier of the vesting date or the date of the change in control. If a participant's employment is terminated due to mandatory retirement requirements, the shares become vested based on the number of full months from the award date to the participant's retirement.

With respect to Mr. Dowdy, special restricted stock grants associated with the hire of an officer vest in full immediately upon a qualifying termination, with or without a change in control.

- (4) Under the terms of the deferred income plans, if a participant's employment is terminated within two years of a change in control, the participant will receive a lump sum payment equal to the greater of (i) the present value of the account balance projected through age 65 using a guaranteed minimum rate of return, or (ii) the actual account balance accumulated through the termination date. However, for deferrals made on and after January 1, 2015, the lump sum payment would be equal to the participant's account balance plus the present value of employer contributions and earnings credits that would have been made or earned on such account balance through age 65.

Upon retirement, the participant will receive the participant's account balance in 15 installments unless the participant elected a lump sum for deferrals made on and after January 1, 2005.

In the event of death or disability, a participant or the participant's beneficiary will receive the participant's account balance plus the projected earnings that would have been payable if the participant had retired at age 65. For deferrals made in 2016 and later, the participant or the participant's beneficiary will receive the account balance as of the date of death or disability. In the event of death, the beneficiary will also receive the sum of the remaining participant contributions for the current year.

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Upon any other termination of employment for deferrals prior to 2016, the participant will receive all deferred amounts plus interest accrued at the Moody's rate applicable to each plan year. For deferrals made in 2016 and later, the participant will receive the account balance as of the date of termination.

The amounts reflected in this table are the amounts that each executive would receive if the executive terminated on September 30, 2016. The account balance as of the end of fiscal year 2016 is reflected in the Nonqualified Deferred Compensation Table above.

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- (5) The Executive Severance Plan and the individual severance agreement provide that the Company will cover the cost of COBRA continuation coverage for 18 months from the executive's date of termination, based on each executive's elected coverage level prior to termination. The MCPP, which governs the severance arrangements for Mr. Rasche and Mr. Darrell, does not provide for Company-paid health benefits upon termination. No other health and welfare benefits are provided upon termination.
- (6) Code Section 280G provides guidelines that govern payments triggered by a change in control, known as parachute payments. If such payments exceed 2.99 times the annual average compensation for certain individuals, the payments may trigger adverse tax consequences and excise taxes. The Company does not provide any gross-up payments for such adverse tax consequences or excise taxes under any of the arrangements.
- (7) The Executive Severance Plan provides for a best of net calculation whereby the reduction in the severance calculation is determined to be the better of a reduction of the calculated amount to the amount permissible under Code Section 280G or the cost to the executive of paying the 20% excise tax on the calculated severance payment. Under this provision, this best of net calculation results in Ms. Sitherwood receiving the full severance calculation with no cutback, and paying the excise tax. Mr. Lindsey's severance payment would not exceed the limits under Code Section 280G.
- (8) The MCPP provides for the reduction of the calculated severance value to the amount permissible under Code Section 280G. This amount represents the amount the severance payment to Mr. Rasche would be reduced. No reduction is required for Mr. Darrell.
- (9) Mr. Dowdy's individual agreement provides for a best of net calculation whereby the reduction in the severance calculation is determined to be the better of a reduction of the calculated amount to the amount permissible under Code Section 280G or the cost to the executive of paying the 20% excise tax on the calculated severance payment. Under this provision, this best of net calculation results in Mr. Dowdy receiving the full severance calculation with no cutback, and paying the excise tax.

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## Other matters

### Requirements for submission of proxy proposals, nomination of Directors and other business

Under the rules of the SEC, shareholder proposals intended to be included in the proxy statement for the annual meeting of shareholders in January 2018 must be received by the corporate secretary of Spire Inc. at its primary office at the address set forth on page 21 of this proxy statement by August 17, 2017.

Also, the procedures to be used by shareholders to recommend nominees to the Corporate Governance Committee are outlined on page 20 of this proxy statement. If a shareholder seeks to nominate a person or make a shareholder proposal from the floor of the annual meeting

in January 2018, notice must be received by the corporate secretary at the Company's principal executive offices no later than October 28, 2017 and not before September 28, 2017 (not less than 90 days nor more than 120 days, respectively, prior to January 26, 2018). Also, such proposal must be, under law, an appropriate subject for shareholder action to be brought before the meeting.

The Chairman of the Board may refuse to allow the transaction of any business or to acknowledge the nomination of any person not made in compliance with the procedures set forth in the Company's bylaws.

### Proxy solicitation

We will pay the expense of soliciting proxies. Proxies may be solicited on our behalf by officers or employees in person or by email, telephone, fax or special letter. We have hired Morrow & Co., LLC, 470 West Avenue,

Stamford, CT 06902, to assist us in the solicitation of proxies for a fee of \$7,500, plus reimbursement of out-of-pocket expenses for those services.

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**SPIRE INC.**

**C/O COMPUTERSHARE TRUST, N.A.**

**P.O. BOX 30170**

**COLLEGE STATION, TX 77842**

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 p.m. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

**THANK YOU FOR YOUR VOTE**

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

E15299-P84041-Z68905

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.**

**SPIRE INC.**

**For All    Withhold All    For All Except**

To withhold authority to vote for any individual nominee(s), mark **For All Except** and write the number(s) of the nominee(s) on the line below.

**The Board of Directors recommends you vote FOR Proposals 1 and 2.**

1. Election of Directors:  
**Nominees:**  
01) Edward L. Glotzbach  
02) Rob L. Jones  
03) John P. Stupp Jr.

**For    Against    Abstain**

2. Advisory nonbinding approval of resolution to approve compensation of our named executive officers.

**The Board of Directors recommends you vote FOR "1 year."**

**1 Year    2 Years    3 Years    Abstain**

3. Advisory nonbinding approval of interval at which we seek shareholder advisory approval of compensation of our named executive officers.



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**The Board of Directors recommends you vote FOR Proposal 4.**

**For      Against      Abstain**

4.                                      Ratify the appointment of Deloitte & Touche LLP as our independent registered public accountant for the 2017 fiscal year.

For address change/comments, mark here.  
(see reverse for instructions)

Please date and sign exactly as your name, or names, appears. If shares are held by joint tenants, both must sign. If signing as attorney, executor, administrator, trustee or guardian, please give full title as such, please sign full corporate name by authorized officer. If a partnership, please sign in partnership name by authorized person.

Signature [PLEASE SIGN WITHIN BOX]    Date    Signature (Joint Owners)    Date

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**Annual Meeting of Shareholders  
January 26, 2017  
10:00 a.m.  
700 Market Street, St. Louis, Missouri 63101**

**This year's meeting agenda:**

- 1. To elect three members of the Board of Directors each to serve for a three-year term.**
  - 2. Advisory nonbinding approval of resolution to approve compensation of our named executive officers.**
  - 3. Advisory nonbinding approval of interval at which we seek shareholder advisory approval of compensation of our named executive officers.**
  - 4. Ratify the appointment of Deloitte & Touche LLP as our independent registered public accountant for the 2017 fiscal year.**
- To attend the meeting, check in with our representatives at the meeting and, if the shares are held in the name of a bank, broker or other holder of record, present proof of ownership of our common stock at check-in.**

*We thank you in advance for your vote this year. See the back of this card for directions on how to vote by phone or by Internet as well as how to request electronic delivery of future shareholder communications.*

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and Annual Report are available at [www.SpireEnergy.com/Investors/Corporate-Governance/Annual-Meeting](http://www.SpireEnergy.com/Investors/Corporate-Governance/Annual-Meeting)

E15300-P84041-Z68905

**SPIRE INC.  
Proxy solicited on behalf of the Board of Directors for  
Annual Meeting of Shareholders on January 26, 2017**

The undersigned hereby appoints Steven P. Rasche, Suzanne Sitherwood and Ellen L. Theroff and each of them as proxies with full power of substitution to represent and to vote all shares that the undersigned would be entitled to vote if present at the annual meeting of shareholders of Spire Inc. and at any adjournment and postponement thereof. The meeting will be held January 26, 2017 at 10:00 a.m. central standard time at 700 Market Street, St. Louis, Missouri 63101. The undersigned hereby revokes any proxies previously given with respect to such meeting.

**THIS PROXY WILL BE VOTED AS SPECIFIED ON THE REVERSE SIDE, BUT IF NO SPECIFICATION IS MADE, IT WILL BE VOTED FOR ALL OF THE NOMINEES IN PROPOSAL 1, FOR PROPOSALS 2 AND 4 AND FOR 1 YEAR ON PROPOSAL 3; AND WILL BE VOTED IN THE DISCRETION OF THE PROXIES ON OTHER MATTERS AS MAY COME BEFORE THE MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF.**

**Address change/comments:**

**(If you noted any Address Changes and/or Comments above, please mark corresponding box on the reverse side.)**

**Continued and to be signed on reverse side**