



Leadership Development and Compensation Committee Charter

Purpose

The primary purposes of the Leadership Development and Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of New Jersey Resources Corporation (including its affiliated companies, hereafter referred to as the “Company”) are (a) to assist the Board in its oversight of: (i) the executive compensation practices of the Company; (ii) the Company’s compensation and benefits programs for employees including, but not limited to, awards of equity interests; (iii) the Company’s diversity program; and (iv) the review of performance and development programs for senior management, and (b) to prepare the report on executive compensation that Securities and Exchange Commission (the “SEC”) rules require to be included in the Company’s annual proxy statement.

Composition

On an annual basis, the Board shall appoint at least three of its members to serve as the Committee, one of whom shall be designated by the Board to be the Chairperson of the Committee. Each member of the Committee shall be determined by the Board to: (i) meet the independence requirements of the New York Stock Exchange (“NYSE”); (ii) qualify as “non-employee directors” within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934 (the “1934 Act”) and the rules promulgated thereunder by the SEC, as amended from time to time; and (iii) meet the “outside director” requirements of Section 162(m) of the Internal Revenue Code of 1986 and the rules and regulations promulgated thereunder, as amended from time to time. Members should have sufficient knowledge and familiarity in the area of compensation practices and policies to discharge the duties and responsibilities of the Committee. The Chairperson will chair all regular sessions of the Committee and set the agendas for Committee meetings. No action of the Committee shall be invalid or void solely because of a failure of any member to meet the requirements of this paragraph. The Board may remove any members of the Committee, with or without cause, and appoint any substitute member who meets the qualifications set forth above.

Meetings and Reports to the Board

The Committee shall schedule at least two regular meetings per year. The Committee shall meet in executive session at least once annually to discuss the Chief Executive Officer’s (“CEO”) performance, compensation and succession. The Committee Chair shall report regularly on the Committee’s meetings, activities and actions to the Board at each Board meeting as soon as practicable following each Committee meeting.

Duties and Responsibilities

The Committee shall have and may exercise the powers of the Board in matters relating to the following, to the fullest extent permitted by law:

- **Administration:** The Committee shall interpret, implement and administer all aspects of executive officer remuneration, including but not limited to the compensation of the Company's executive officers and management of the Company's benefit programs. In carrying out these duties, the Committee's responsibilities shall include but not be limited to:
 - Oversee the compensation and benefits policies, plans and programs, and determine the type, amount and timing of and eligibility for such compensation and benefits provided or paid pursuant to such policies, plans and programs.
 - Monitor, on an ongoing basis, compensation and benefits policies, plans and programs, and adopt or recommend amendments to same, including all incentive compensation and equity-based plans.
 - Establish annual and long-term performance criteria and goals at the beginning of each performance period pursuant to any Company incentive plans, and certify results achieved at the end of each performance period for all executive officers of the Company.
 - Review the performance and qualifications of senior management of the Company, the soundness of the organization structure and other related matters to ensure the effective management of the business.
 - Make individual compensation determinations including, but not limited to salary, annual and long-term incentive awards of cash, stock, stock options, or other equity grants, and the totals thereof, with respect to the CEO, and senior management (collectively, the "Executive Group").
 - Annually review and appraise the performance of the CEO. Specifically, the Committee shall review and approve Company goals and objectives relevant to the CEO's compensation, evaluate the CEO's performance in light of those goals and objectives, and set the CEO's compensation level based on this evaluation. In determining the incentive components of the CEO compensation, the Committee shall consider, among other factors, the Company's strategic objectives and progress, the Company's performance and relative shareholder returns, the retention, motivation, performance and contributions of the CEO; the value of similar compensation and incentive awards for CEOs at comparable companies, and awards given to the Company's CEO in prior years.
 - Review and recommend to the Board all executive employment and severance agreements, including change-in-control provisions, plans or agreements.
 - Annually review the executive performance appraisal process, and plans for management succession and development for the purpose of assuring qualified succession for the key positions of the Company.

- Annually assess the Company’s diversity programs and associated career opportunities.
- Reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- Annually review and evaluate the performance of the Committee including compliance by the Committee with this Charter.

The foregoing notwithstanding, any policies, plans and programs that reserve additional equity securities for issuance in connection with options or other equity awards, and material amendments to such programs, shall be subject to approval of the Board, and to the extent required by law or NYSE rule, the shareowners of the Company.

- **Compliance and Reporting:** The Committee shall produce annual reports summarizing the compensation philosophy and policies for the Company’s CEO and other executive officers, and explain the relationship between executive officer compensation and the Company’s performance, as required by the SEC, the NYSE and generally accepted business practices for inclusion in the Company’s proxy statement in accordance with SEC rules and regulations.
- **Delegation:** The Committee may delegate the authority granted hereunder, subject to applicable limitations under the New Jersey Corporation Laws. Such delegation may be made to a subcommittee composed entirely of independent directors in order to ensure compliance with legal and regulatory obligations, to ensure timely decision-making or for other purposes.

The CEO of the Company shall delegate management’s liaison to the Committee. In the absence of such delegation, such liaison shall be the officer of the Company primarily responsible for Human Resources.

- **Outside Consultants:** The Committee shall have the authority and discretion to retain, at the expense of the Company, outside compensation consultants, legal counsel or other independent third-party experts to advise and assist the Committee in discharging its duties and responsibilities. If a compensation consultant is to assist in the evaluation of CEO and senior executive compensation, the Committee shall have the sole authority to retain and terminate the consultant, including sole authority to approve the consultant’s fees and their retention terms.