

NEW JERSEY RESOURCES CORP
Form DEF 14A
December 11, 2015
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

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

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

Check the appropriate box:

Preliminary Proxy Statement

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Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

NEW JERSEY RESOURCES CORPORATION

(Name of Registrant as Specified in its Charter)

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

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No fee required.

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Notice
of **Annual Meeting**
of **Shareholders**

NEW JERSEY RESOURCES CORPORATION
1415 Wyckoff Road
Wall, New Jersey 07719

Wednesday, January 20, 2016

9:30 a.m., Eastern Standard Time

Eagle Oaks Golf & Country Club, 20 Shore Oaks Drive, Farmingdale, New Jersey 07727

The Annual Meeting of Shareholders (the “Meeting”) of New Jersey Resources Corporation will be held at 9:30 a.m., Eastern Standard Time, Wednesday, January 20, 2016, at Eagle Oaks Golf & Country Club, 20 Shore Oaks Drive, Farmingdale, New Jersey 07727, for the following purposes:

- 1. To elect as directors the four nominees to the Board of Directors named in the attached proxy statement for terms expiring in 2019**
- 2. To approve a non-binding advisory resolution approving the compensation of our named executive officers**
- 3. To ratify the appointment by the Audit Committee of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending September 30, 2016**
- 4. To transact any other business that may properly be brought before the Meeting or any adjournments or postponements thereof**

The Board of Directors has fixed the close of business on November 24, 2015, as the record date for the determination of the shareholders entitled to notice of, and to vote at, the Meeting. Accordingly, only shareholders of record at the close of business on that date will be entitled to vote at the Meeting.

In accordance with Securities and Exchange Commission (“SEC”) rules, we are furnishing proxy materials to our shareholders online. You may read, print and download our Annual Report and Proxy Statement at

<http://investor.njresources.com/annual-proxy.cfm>. On or about December 11, 2015, we will mail our shareholders a notice containing instructions on how to access our 2015 Proxy Statement and Annual Report and how to vote online or by telephone. The notice also provides instructions on how to request a paper copy of these documents.

A cordial invitation is extended to you to attend the Meeting. Regardless of whether you plan to attend the Meeting, it is important that your shares are represented and voted at the Meeting. If you received a paper copy of the proxy card or voting instruction by mail, you can vote by signing, dating and returning the enclosed proxy card or voting instruction. Registered shareholders and participants in plans holding shares of our common stock ("Common Stock") may vote by telephone or online. To use these convenient services, follow the steps detailed in the instructions for voting that are attached to the proxy card. Beneficial owners of shares of our Common Stock held in street name through a bank or brokerage account should follow the enclosed voting instruction for voting their shares. Please note that in the absence of specific instructions as to how to vote, brokers may not vote your shares on the election of directors or the non-binding proposal regarding the compensation of our executive officers. Please return your proxy card so your vote can be counted. I hope you will attend the Meeting, but even if you cannot, please vote your shares as promptly as possible. Thank you.

Wall, New Jersey
December 11, 2015

Rhonda M. Figueroa
Corporate Secretary

“Thank you for your continued confidence in our Company. I look forward to seeing you at the Annual Meeting.”

Laurence M. Downes

Dear Fellow Shareowner,

Through the hard work and dedication of our talented team of employees, fiscal 2015 was another solid year for New Jersey Resources. We increased our annual dividend rate for the 20th consecutive year, this time by 6.7 percent, and our shareowners realized a total return on their investment of 22.5 percent.

Those who follow our Company know that safety, performance and accountability guide everything we do. We continue to invest in our infrastructure to ensure the safe, reliable, service our customers expect. We remain committed to strong corporate governance and we strive to maintain executive compensation best practices so we can continue to provide consistent returns to our shareowners. The members of our Board of Directors generously share their diverse perspectives and we are grateful for their insights and leadership.

To learn more about our fiscal 2015 performance, I would like to invite you to join us at our Annual Meeting of Shareholders, which will be held on January 20, 2016, at 9:30 a.m., at Eagle Oaks Golf & Country Club in Farmingdale, New Jersey.

During the meeting, we will vote to elect as directors the four nominees to the Board of Directors named in the attached proxy statement with terms expiring in 2019, to approve a non-binding advisory resolution approving the compensation of our named executive officers, and to ratify the appointment by the Audit Committee of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending September 30, 2016.

Your vote is very important. Whether you plan to attend the Annual Meeting or not, I encourage you to promptly submit your vote via the Internet, telephone, or mail, as applicable, to ensure that your shares are represented at our meeting.

On behalf of our Board of Directors, thank you for your continued confidence in our Company. I look forward to seeing you at the Annual Meeting.

Sincerely,

Laurence M. Downes
Chairman and Chief Executive Officer
December 11, 2015

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Note: All share-related amounts set forth in this Proxy Statement reflect the two-for-one stock split on March 3, 2015.

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Proxy Statement

ANNUAL MEETING OF SHAREHOLDERS JANUARY 20, 2016

This Proxy Statement sets forth certain information with respect to the accompanying proxy to be used at the Annual Meeting of Shareholders (the “Meeting”) of New Jersey Resources Corporation, or at any adjournments or postponements thereof, for the purposes set forth in the accompanying Notice of Annual Meeting. The Board of Directors (the “Board”) has designated Eagle Oaks Golf & Country Club, 20 Shore Oaks Drive, Farmingdale, New Jersey 07727, as the place of the Meeting. The Meeting will be called to order at 9:30 a.m., Eastern Standard Time, on Wednesday, January 20, 2016. The Board solicits this proxy and urges you to vote immediately. Unless the context otherwise indicates, reference to “New Jersey Resources,” “NJR,” “we,” “us,” “our” or “the Company” means New Jersey Resources Corporation.

The Board is making these materials available to you on the Internet or, upon your request, delivering printed versions of these materials to you by mail. On or about December 11, 2015, we will mail a notice to shareholders containing instructions on how to access the Proxy Statement and Annual Report and how to vote.

QUESTIONS AND ANSWERS ABOUT THE MEETING

1. WHO IS ASKING FOR MY VOTE AND WHY AM I RECEIVING THIS DOCUMENT?

The Board asks that you vote on the matters listed in the Notice of Annual Meeting, which are more fully described in this Proxy Statement. We are providing this Proxy Statement and related proxy card to our shareholders in connection with the solicitation by the Board of proxies to be voted at the Meeting. A proxy, if duly executed and not revoked, will be voted and, if it contains any specific instructions, will be voted in accordance with those instructions.

2. WHO IS ENTITLED TO VOTE?

Only holders of record of outstanding shares of our common stock (the “Common Stock”) at the close of business on November 24, 2015, are entitled to notice of and to vote at the Meeting. At the close of business on November 24, 2015, there were 85,790,569 outstanding shares of Common Stock. Each share of Common Stock is entitled to one vote.

3. WHAT IS A PROXY?

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

4. WHAT IS A VOTING INSTRUCTION?

A voting instruction is the instruction form you receive from your bank, broker or its nominee if you hold your shares of Common Stock in street name. The instruction form instructs you how to direct your bank, broker or its nominee, as record holder, to vote your shares of Common Stock.

5. WHAT AM I VOTING ON?

You will be voting on each of the following items of business:

- The election as directors of four nominees to the Board of Directors for terms expiring in 2019
- The approval of a non-binding advisory resolution approving the compensation of our named executive officers
- The ratification of the appointment by the Audit Committee of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending September 30, 2016
- Any other business that may properly come before the Meeting or any adjournments or postponements thereof

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6. HOW MANY VOTES MUST BE PRESENT TO HOLD THE MEETING?

A majority of the outstanding shares of Common Stock as of the record date must be present in person or represented by proxy at the meeting. This is referred to as a quorum. Abstentions, withheld votes and shares of record held by a broker or its nominee (“broker shares”) that are voted on any matter are included in determining the existence of a quorum. Broker shares that are not voted on any matter will not be included in determining whether a quorum is present.

7. WHAT VOTE IS NEEDED TO ELECT THE FOUR DIRECTORS?

The election of each nominee for director requires the affirmative vote of the holders of a plurality of the shares of Common Stock voted in the election of directors. In addition, the Company’s Corporate Governance Guidelines provide that any nominee for director in an uncontested election who receives a greater number of shareholder votes “withheld” from his or her election than votes “for” his or her election must promptly tender his or her resignation to the Board. For more details regarding the director resignation policy, please see “Election of Directors” on page 10.

8. WHAT VOTE IS NEEDED TO APPROVE THE NON-BINDING ADVISORY RESOLUTION REGARDING THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS?

The approval of the non-binding advisory resolution regarding the compensation of our named executive officers requires that the votes cast in favor of the proposal exceed the number of votes cast against the proposal.

9. WHAT VOTE IS NEEDED TO RATIFY THE APPOINTMENT BY THE AUDIT COMMITTEE OF DELOITTE & TOUCHE LLP?

The ratification of the appointment by the Audit Committee of Deloitte & Touche LLP requires that the votes cast in favor of the ratification exceed the number of votes cast opposing the ratification.

10. WHAT ARE THE VOTING RECOMMENDATIONS OF THE BOARD?

For the reasons set forth in detail later in this Proxy Statement, **The Board Recommends That You Vote:**

- **FOR** The Proposed Nominees for the Board;

-

FOR The Non-Binding Advisory Resolution Regarding Approval of the Compensation of Our Named Executive Officers;

•**FOR** The Ratification of the Appointment by the Audit Committee of Deloitte & Touche LLP.

11. HOW DO I VOTE?

Registered shareholders (shareholders who hold Common Stock in their own name registered with our transfer agent, Wells Fargo Shareowner Services or in certificated form, as opposed to through a bank, broker or other nominee) or employees who hold Common Stock through our NJR Employees' Retirement Savings Plan (our "401(k) Plan") may vote in person at the Meeting or by proxy. There are three ways for registered shareholders and employees who own Common Stock through our 401(k) Plan to vote by proxy:

If you received your proxy materials by mail, complete, properly sign, date and mail the enclosed proxy card or voting instruction.

Connect to the Internet at <http://www.proxyvote.com> and follow the instructions included on the proxy card or voting instruction.

Call **1-800-690-6903** and follow the instructions included on the proxy card or voting instruction.

Registered shareholders and participants in our 401(k) and any other plans holding shares of Common Stock are urged to deliver proxies or voting instructions by calling the toll-free telephone number, by using the Internet or by completing and mailing the proxy card or voting instruction. The telephone and Internet voting procedures are designed to authenticate shareholders' and plan participants' identities, to allow shareholders and plan participants to give their proxies or voting instructions and to confirm that such instructions have been properly recorded. Instructions for voting by telephone or over the Internet are included on the enclosed proxy card or voting instruction. If you received your proxy materials via mail, registered shareholders and plan participants may send their proxies or voting instructions by completing, signing and dating the enclosed proxy card or voting instruction and returning it as promptly as possible in the enclosed prepaid envelope.

Shareholders who hold Common Stock through banks, brokers or other nominees ("street name shareholders") who wish to vote at the Meeting should receive voting instructions from the

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institution that holds their shares. Please contact the institution that holds your shares if you have not received voting instructions. Street name shareholders may also be eligible to vote their shares electronically by following the voting instructions provided by the bank, broker or other nominee that holds the shares, using either the toll-free telephone number or the Internet address provided on the voting instruction; or by completing, dating and signing the voting instruction and returning it promptly in the enclosed prepaid envelope.

The deadline for voting via the Internet or telephone is 11:59 p.m. Eastern Standard Time, on January 19, 2016.

12. CAN I ATTEND THE MEETING?

Yes. The Meeting is open to all holders of our Common Stock as of the record date, November 24, 2015. You may attend the Meeting and vote in person. However, even if you plan to attend the Meeting, we encourage you to vote your shares by proxy. Cameras, recording devices and other electronic devices are not permitted at the Meeting.

HOW WILL MY SHARES BE VOTED IF I SIGN, DATE AND RETURN MY PROXY CARD OR 13. VOTING INSTRUCTION CARD, BUT DO NOT PROVIDE COMPLETE VOTING INSTRUCTIONS WITH RESPECT TO EACH PROPOSAL?

Shareholders should specify their vote for each matter on the enclosed proxy. The proxies solicited by this Proxy Statement vest in the proxy holders' voting rights with respect to the election of directors (unless the shareholder marks the proxy to withhold that authority) and on all other matters voted upon at the Meeting.

Unless otherwise directed in the enclosed proxy card, the persons named as proxies therein will vote all properly executed, returned and not-revoked proxy cards or voting instruction cards (1) **FOR** the election of the four director nominees listed thereon; (2) **FOR** the non-binding proposal regarding approval of the compensation of the Company's named executive officers; and (3) **FOR** the proposal to ratify the appointment by the Audit Committee of Deloitte & Touche LLP as our independent registered public accounting firm for the fiscal year ending September 30, 2016, with the following two exceptions:

Shares of Common Stock held in our 401(k) Plan for which no direction is provided on a properly executed, returned and not revoked voting instruction card will be voted proportionately in the same manner as those shares held in our 401(k) Plan for which timely and valid voting instructions are received with respect to such proposals.

Shares of Common Stock held in our 401(k) Plan for which timely and valid voting instructions are not received will be considered to have been designated to be voted by the trustee in accordance with the recommendation of the Company's management.

As to any other business that may properly come before the Meeting, the persons named in the enclosed proxy card or voting instruction will vote the shares of Common Stock represented by the proxy in the manner as the Board may recommend, or otherwise at the proxy holders' discretion. The Board does not presently know of any other such business.

14. HOW WILL MY SHARES BE VOTED IF I DO NOT RETURN MY PROXY CARD OR MY VOTING INSTRUCTION?

It will depend on how your ownership of shares of Common Stock is registered. If your shares of Common Stock are registered in your name with our transfer agent, your unvoted shares will not be represented at the Meeting and will not count toward the quorum requirement, as explained under "6. *How many votes must be present to hold the Meeting?*" on page 7, unless you attend the Meeting to vote them in person.

If you own your shares of Common Stock in street name, which means that your shares are registered in the name of your bank, broker or its nominee, your shares may be voted even if you do not provide your bank, broker or other nominee with voting instructions. Under the rules of the New York Stock Exchange ("NYSE") your bank, broker or other nominee may vote your shares in its discretion on "routine" matters. However, NYSE rules do not permit your bank, broker or other nominee to vote your shares on proposals that are not considered routine. When a proposal is not a routine matter and your bank, broker or other nominee has not received your voting instructions with respect to such proposal, your bank, broker or other nominee cannot vote your shares on that proposal. It is called a "broker non-vote" when a bank, broker or other nominee does not cast a vote for a routine or a non-routine matter.

Please note in the absence of your specific instructions as to how to vote, your bank, broker or other nominee may not vote your shares with respect to (1) the election of the four nominees for director, or (2) the non-binding proposal regarding the approval of the compensation of our named executive officers. Under NYSE rules, these matters are not considered routine matters. Based on NYSE rules, we believe that the ratification of the appointment by the Audit Committee of Deloitte & Touche LLP is a routine matter for which brokerage firms may vote on behalf of their clients if no voting instructions are provided. Therefore, if you are a shareholder whose shares of Common Stock are held in street name with a bank, broker or other nominee and you do not return your voting instruction card, your bank, broker or other nominee may vote your shares **FOR** the ratification of the appointment by the Audit Committee of Deloitte & Touche LLP as our independent registered public accounting firm. **Please return your proxy card so your vote can be counted.**

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15. HOW ARE ABSTENTIONS AND BROKER NON-VOTES COUNTED?

Only votes cast “for” or “against” are included in determining the votes cast with respect to any matter presented for consideration at the Meeting. As described above, when brokers do not have discretion to vote or do not exercise such discretion, the inability or failure to vote is referred to as a “broker non-vote.” Proxies marked as abstaining, and any proxies returned by brokers as “non-votes” on behalf of shares held in street name because beneficial owners’ discretion has been withheld as to one or more matters to be acted upon at the Meeting, will be treated as present for purposes of determining whether a quorum is present at the Meeting. Broker non-votes and withheld votes will not be included in the vote total for the proposal to elect the nominees for director and will not affect the outcome of the vote for the proposal. In addition, under New Jersey corporation law, abstentions are not counted as votes cast on a proposal. Therefore, abstentions and broker non-votes will not count either in favor of or against (1) the non-binding proposal regarding the vote of the compensation of our named executive officers or, (2) the ratification of the appointment of Deloitte & Touche LLP.

16. WHAT IF I CHANGE MY MIND AFTER I VOTE?

Whether you vote by telephone, Internet or by mail, you may change or revoke your proxy at any time before it is exercised by (1) submitting a properly signed proxy with a later date, (2) voting by telephone or the Internet at a later time, or (3) voting in person at the Meeting. See the enclosed proxy card for instructions. Attendance at the Meeting will not by itself revoke a previously granted proxy.

If you are a shareholder whose stock is held in street name with a bank, broker or other nominee, you must follow the instructions found on the voting instruction card provided by the bank, broker or other nominee, or contact your bank, broker or other nominee to change or revoke your previously given proxy.

17. WHO PAYS THE COST OF PROXY SOLICITATION?

NJR will pay all expenses of soliciting proxies, including clerical work, printing and postage. Our officers and other employees may personally solicit proxies or solicit proxies by mail, telephone, facsimile or Internet, but we will not provide compensation for such solicitations. In addition, we have agreed to pay Laurel Hill Proxy Advisory Group, LLC a fee of approximately \$5,500, plus reasonable expenses, for proxy solicitation services. We will also reimburse banks, brokers and other persons holding shares in their names or in the names of nominees for expenses incurred sending material to beneficial owners and obtaining proxies from beneficial owners.

18. COULD OTHER MATTERS BE DECIDED IN THE MEETING?

The Board does not know of any other business that may be brought before the Meeting. However, if any other matters should properly come before the Meeting or at any adjournment or postponement thereof, it is the intention of

the persons named in the accompanying proxy to vote on such matters as they, in their discretion, may determine.

19. HOW DO I MAKE A SHAREHOLDER PROPOSAL FOR THE 2017 ANNUAL MEETING OF SHAREHOLDERS?

We must receive proposals from shareholders intended to be presented at the 2017 Annual Meeting of Shareholders, on or before August 13, 2016 to be considered for inclusion in our Proxy Statement and form of proxy/voting instruction card for that meeting pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (“Exchange Act”), and for consideration at that meeting. Shareholders submitting such proposals are required to be the beneficial owners of shares of the Common Stock amounting to at least \$2,000 in market value and to have held such shares for at least one year prior to the date of submission.

Our By-Laws also set forth the procedures a shareholder must follow to nominate directors or to bring other business before shareholder meetings. For a shareholder to nominate a candidate for director at the 2017 Annual Meeting of Shareholders, we must receive notice of the nomination no later than November 6, 2016. The notice must describe various matters regarding the nominee, including name, address, occupation and shares held. See “Director Nominations and Evaluation Processes” on page 15 for more information regarding the director nomination process. Additionally, under our By-Laws, for a shareholder to bring other matters before the 2017 Annual Meeting of Shareholders, we must receive notice no later than November 6, 2016. The notice must include a description of the proposed business, the reasons therefore and other matters specified in our By-Laws. In each case, the notice must be timely given to our Corporate Secretary, whose address is Office of the Corporate Secretary, 1415 Wyckoff Road, Wall, New Jersey 07719. A copy of the By-Laws is available free of charge on our website at <http://investor.njresources.com> under the caption “Corporate Governance.” A printed copy is available free of charge to any shareholder who requests it by contacting the Corporate Secretary in writing at Office of the Corporate Secretary, New Jersey Resources Corporation, 1415 Wyckoff Road, Wall, New Jersey 07719.

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Election of Directors

ITEM 1 ON PROXY CARD

The Board currently consists of 11 members divided into three classes with overlapping three-year terms. Four individuals have been nominated for election as directors at the Meeting. Lawrence R. Codey, Laurence M. Downes, Robert B. Evans and Alfred C. Koeppe would each serve for a three-year term expiring in 2019 and until their respective successors are elected and have been qualified. Each of the nominees is currently serving as a director of the Company and has been previously elected by our shareholders. There were no nominee recommendations from shareholders or from any group of shareholders submitted in accordance with our By-Laws. Unless otherwise indicated on a proxy, the proxy holders intend to vote the shares each proxy represents for all nominees for election as directors.

Under New Jersey law, directors are elected by a plurality of the votes cast at an election. The Company's Corporate Governance Guidelines provide, however, that any nominee for director in an uncontested election who receives a greater number of shareholder votes "withheld" from his or her election than votes "for" his or her election must promptly tender his or her resignation to the Board for consideration. The Nominating/Corporate Governance Committee will then evaluate the best interests of the Company and will recommend to the Board whether to accept or reject the tendered resignation. Following the Board's determination, the Company will disclose the Board's decision of whether to accept the resignation and an explanation of how the decision was reached.

Proxies solicited by the Board will be voted in favor of the nominees listed below, unless otherwise specified in the proxy. All of the nominees proposed by the Board have consented to serve if elected. We know of no reason why the nominees would not be available for election or, if elected, would be unable to serve. While we do not anticipate that any of the nominees will be unable to serve, if any should be unable to serve, the proxy holders reserve the right to substitute any other person approved by the Board.

The Nominating/Corporate Governance Committee looks for its current and potential directors collectively to have a mix of skills and qualifications.

It is of critical importance to the Company that the Nominating/ Corporate Governance Committee recruit directors who help achieve the goal of a well-rounded, diverse Board that functions collegially as a unit.

As part of each director's biography, we have included a brief summary of the skills and experience of such nominee. We have also included a chart below the director biographies that summarizes the skill set for the full Board. Set forth below is information for each nominee and director concerning the age, principal occupation, employment and directorships during the past five years, positions with the Company, the year in which he or she first became a

director of the Company and his or her term of office as a director. Also set forth below is a brief discussion of the specific experience, qualifications, attributes or skills that led to the Board's conclusion that, in light of our business and structure, each nominee and director should serve as a director as of the date of this Proxy Statement.

NOMINEES FOR ELECTION AS DIRECTORS

LAWRENCE R. CODEY (Lead Director and Chair, Executive Committee)

Retired. President and Chief Operating Officer, Public Service Electric & Gas Company (PSE&G)

Director since: 2000

Age: 71

Other Public Company Directorships: United Water Resources, Inc., Horizon Blue Cross Blue Shield of New Jersey and Sealed Air Corporation

President and Chief Operating Officer, PSE&G, from September 1991 through February 2000.

Mr. Codey brings to our Board diverse business, leadership and administrative experience in the utility industry from his tenure at PSE&G and his service on public company boards. His understanding of issues facing utility companies, both as an officer and director, is invaluable to the Board and is vital to his role as the Board's Lead Director.

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LAURENCE M. DOWNES (Chairman of the Board)

President and Chief Executive Officer, New Jersey Resources Corporation

Director since: 1995

Age: 58

Other Public Company Directorships: Questar Corporation

Chairman of the Board of the Company since September 1996 and President and Chief Executive Officer since July 1995; Director and past Chairman, American Gas Association; Trustee, American Gas Foundation; Member, Board of Directors of New Jersey Economic Development Authority; Member, Board of Trustees, Drumthwacket Foundation; Chairman, National Advisory Board of John J. Heldrich Center for Workforce Development.

As Chairman of the Board, Mr. Downes provides the Board with strong leadership and direction and a considerable amount of experience. As our President and Chief Executive Officer, Mr. Downes is able to communicate and inform the Board about our strategy, performance, operations, issues and developments. Mr. Downes' extensive knowledge of the energy industry, experience as the leader of the Company and innovative thinking provides an invaluable benefit to the Board. In addition, Mr. Downes' board positions at other natural gas organizations have positioned him to bring experience and industry knowledge to his position as Chairman of the Board. Through Mr. Downes' years of service on the Board, he has developed extensive knowledge in the areas of leadership, strategy, safety, risk oversight, management and corporate governance, each of which provides great value to the Board.

ROBERT B. EVANS (Lead Director, NJRES Board)

Retired. President and Chief Executive Officer, Duke Energy Americas.

Director since: 2009

Age: 67

Other Public Company Directorships: Sprague Resources LP, Targa Resources Partners LP, and ONE Gas, Inc.

President and Chief Executive Officer of Duke Energy Americas, a business unit of Duke Energy Corp., from January 2004 to March 2006; Transition executive for Energy Services, a business unit of Duke Energy Corp., during 2003; President of Duke Energy Gas Transmission from 1998 to 2002 and President and Chief Executive Officer from 2002 to 2003.

Mr. Evans' experience in senior leadership and board positions for other energy companies has positioned him to bring executive, corporate development, operational and financial experience and industry knowledge to his position as a member of the Board. His extensive executive experience with the natural gas transmission business and wholesale natural gas trading business of Duke Energy and Targa Resources Partners provides the Board with valuable knowledge of those aspects of the energy industry and has provided him with the experience and knowledge to serve as Lead Director of the joint Board of Directors of NJR Energy Services Company (NJRES) and NJR Energy Investments Corporation.

ALFRED C. KOEPPE (Lead Director, NJNG Board)

Retired. CEO, Newark Alliance, President and COO, Public Service Electric & Gas Company (PSEG), CEO, Bell Atlantic-New Jersey

Director since: 2003

Age: 69

Other Public Company Directorships: None

Chief Executive Officer, Newark Alliance, a non-profit organization whose mission is to improve the City of Newark, New Jersey, from October 2003 through December 2013. President and Chief Operating Officer, Public Service Electric & Gas Company from March 2000 to October 2003; President and Chief Executive Officer, Bell Atlantic-New Jersey from 1990 to 1995; Chairman, New Jersey Economic Development Authority; Director, Horizon Blue Cross Blue Shield of New Jersey; Member, New Jersey Governor's Council of Economic Advisors; Director, Member of the Board of Trustees of St. Benedict's Preparatory School.

Mr. Koeppe's unique experience as a senior executive officer of the state's two largest energy and telecommunications utilities and his experience as an attorney have given him a considerable understanding of financial, operational, regulatory, corporate governance and legal matters, which is important in his role as Lead Director of the Board of Directors of NJNG and as a member of a number of Board committees. His leadership of a non-profit organization and chairmanship of New Jersey's Economic Development Authority bring additional valuable perspectives to the Board.

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DIRECTORS WITH TERMS EXPIRING IN 2017

JANE M. KENNY (Chair, Nominating/Corporate Governance Committee)

Co-Owner and Managing Partner, The Whitman Strategy Group, LLC

Director since: 2006

Age: 64

Other Public Company Directorships: None

Co-owner and Managing Partner, The Whitman Strategy Group, LLC, a consulting firm specializing in governmental relations and environmental and energy issues, since January 2005; Regional Administrator of the Environmental Protection Agency, overseeing the federal agency's work in New York, New Jersey, Puerto Rico and the Virgin Islands from November 2001 to December 2004; Commissioner of New Jersey Department of Community Affairs from May 1996 to November 2001; Visiting Fellow, The Eagleton Institute of Politics, Rutgers University; Trustee, NJ Future; Member, Sustainable State Institute for New Jersey.

Ms. Kenny's extensive public policy experience, especially with environmental, public policy, energy and government relations issues, based on her extensive regulatory and policy experience leading environmental initiatives as Administrator for Region 2 of the United States Environmental Protection Agency, and her service as a top advisor to three Governors of New Jersey, is essential for the Board of a company like ours that regularly faces such issues. That experience, as well as her firm's active consulting practice on environmental, energy and public policy issues through which she is actively and presently engaged in cutting-edge issues in the field, has provided Ms. Kenny an understanding of the energy industry, which is important in assisting the Board in monitoring and evaluating our business. Ms. Kenny is also currently an National Association of Corporate Directors Governance Fellow.

SHARON C. TAYLOR

Senior Vice President, Human Resources, Prudential Financial

Director since: 2012

Age: 61

Other Public Company Directorships: None

Senior Vice President, Human Resources, Prudential Financial, a financial services company, since June 2002; Senior Vice President, Human Resources, Prudential Insurance and Chair of The Prudential Foundation; Chair of Newark Alliance; Member of the executive committee of the Newark Regional Business Partnership; Member of the Board of Trustees of American Repertory Ballet; Director, Human Resources Policy Association; Director, Executive Leadership Council Foundation; Member of the Board of Trustees of Montclair Art Museum; Director, Congressional Black Caucus Foundation; Member, Advisory Board of the National Council of La Raza.

Ms. Taylor's experience as a senior executive officer of one of the nation's largest financial services companies, her service on the boards of several other organizations and her extensive background and expertise in human resources policies, strategies, programs, including executive compensation, succession management, risk management and privacy, provides the Board with an important perspective regarding talent management and leadership development, business diversity, corporate social responsibility, operations, risk and controls.

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DAVID A. TRICE

Retired. President and Chief Executive Officer, Newfield Exploration Company

Director since: 2004

Age: 67

Other Public Company Directorships: QEP Resources, Inc., McDermott International, Inc., Hornbeck Offshore Services, Inc. (through February 2011) and Newfield Exploration Company (through May 2010)

Retired. Chairman from September 2004 to May 2010, President and Chief Executive Officer from February 2000 to May 2009, President and Chief Operating Officer from 1999 to 2000 and Vice President—Finance and International from 1997 to 1999, Newfield Exploration Company, a public independent crude oil and natural gas exploration and production company; Director, Rockwater Energy Solutions, Inc., a fluids and environmental solutions provider that provides a wide range of products and services to the oil and gas industry, from August 2012 to present; Past Chairman, America's Natural Gas Alliance, Inc. and the American Exploration and Production Council.

A career with over 30 years of experience with energy companies such as Newfield Exploration Company has given Mr. Trice extensive knowledge of the energy industry, particularly natural gas, as well as other operational expertise, which is essential to our Board in understanding and evaluating our business. Mr. Trice also brings to our Board experience gained from holding senior leadership and board positions at public companies and industry groups that provides our Board with significant experience in risk oversight, financial policy, executive compensation and corporate governance matters, which is particularly relevant to his service on the Leadership Development and Compensation Committee and the Nominating/Corporate Governance Committee. In addition, Mr. Trice's extensive experience in the energy industry and his familiarity with the relevant issues provide the Board with a valuable perspective.

DIRECTORS WITH TERMS EXPIRING IN 2018

DONALD L. CORRELL (Chair, Leadership Development and Compensation Committee)

Chief Executive Officer and Co-Founder, KWP Capital, LLC

Director since: 2008

Age: 65

Other Public Company Directorships: HealthSouth Corp.

Chief Executive Officer and Co-Founder, KWP Capital LLC, a firm that invests in, advises and manages water and wastewater infrastructure assets and operations since January 2011. President and Chief Executive Officer and member of the Board of Directors of American Water Works, Inc., a New Jersey-based public water utility holding company, from April 2006 to August 2010; President and Chief Executive Officer and member of the Board of Directors of Pennichuck Corporation, a New Hampshire-based public water utility holding company, from 2003 to 2006; Chairman, President and Chief Executive Officer of United

Water Resources, a public water services company from 1991 through 2001. From 2001 to 2003, served as an independent advisor to water service and investment firms on issues relating to marketing, acquisitions, and investments in the water services sector; Director, Northeast Power Coordinating Council, Inc.

Mr. Correll's experience with utility companies through his leadership of American Water Works and other water services companies has given him an understanding of the regulatory and operational issues that we face. In his positions as a Chief Executive Officer and director of a public company and as a certified public accountant, he gained experience in financial policy and risk oversight that is essential to his position as a member of the Audit Committee. In these roles he also gained significant experience in risk oversight and executive compensation that is relevant to his position as the Chairman of the Leadership Development and Compensation Committee.

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REV. M. WILLIAM HOWARD, JR. (Lead Director, NJRCEV Board)

Pastor, Bethany Baptist Church

Director since: 2005

Age: 69

Other Public Company Directorships: None

Pastor of Bethany Baptist Church, Newark, New Jersey, since 2000; President, New York Theological Seminary from 1992 to 2000; President of the National Council of Churches from 1979 to 1981; Past Chairman and Member, Rutgers University Board of Governors from 2004 to 2014; Director Emeritus, Choose New Jersey; Chair of the New Jersey Death Penalty Study Commission from 2006 to 2007; Chair of Newark Mayor Cory Booker's Transition Team in 2005; Trustee, Newark Alliance.

Rev. Howard is an experienced local and national community leader with extensive familiarity with communities and contacts within and outside our service area. His work and experience in the public sector, including his experience leading religious institutions, bring unique and valuable perspectives and disciplines to the Board's deliberations and decision-making processes, particularly with regard to issues of corporate citizenship and community relations, which are relevant to his position as Lead Director of the Board of Directors of NJR Clean Energy Ventures.

J. TERRY STRANGE (Chair, Audit Committee)

Retired. Vice Chair and Managing Partner, U.S. Audit Practice, KPMG LLP

Director since: 2003

Age: 71

Other Public Company Directorships: Newfield Exploration Company, Group 1 Automotive, Inc., SLM Corp. (through May 2013), and BBVA Compass Bancshares, Inc.

Retired. Vice Chair and Managing Partner of U.S. Audit Practice from 1996 to 2002 and Global Managing Partner of Audit Practice from 1998 to 2002, KPMG LLP, an independent accounting firm; Director, Bearing Point, Inc., formerly a public business consulting, systems integration and managed services firm, until May 2009;

Mr. Strange has extensive knowledge and experience with accounting practices, policies and rulemaking from his 34-year career at KPMG LLP, which is especially important in his role as Chairman of the Audit Committee and our

audit committee financial expert. His significant experience working with companies in the energy sector, as well his experience as a director of a number of public companies, has provided him an understanding of the challenges and strategic alternatives available to public companies, financial policy and risk oversight.

GEORGE R. ZOFFINGER

President and Chief Executive Officer, Constellation Capital Corp.

Director since: 1996

Age: 67

Other Public Company Directorships: Virgin Media, Inc. (through June 2013).

President and Chief Executive Officer, Constellation Capital Corp., a financial services company, since December 2007; President and Chief Executive Officer, New Jersey Sports & Exposition Authority from March 2002 to December 2007; Chairman, New Brunswick Development Corporation, a not-for-profit urban real estate development company; Director, Hightower Securities LLC, a registered investment company that provides investment advisory services since May 2013; Director, Anchor Commercial Bank, a privately held commercial bank through December 2012.

Mr. Zoffinger's leadership experience and work with public companies has provided him financial, corporate governance and real estate development expertise and experience with executive compensation issues, which are important to his roles as a member of the Nominating/Corporate Governance Committee. In addition, he brings to the Board corporate development experience and knowledge gained from his leadership and board positions, including his tenure on the Board.

THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE "FOR" ALL OF THE PROPOSED DIRECTOR NOMINEES LISTED ABOVE.

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SUMMARY OF DIRECTOR QUALIFICATIONS AND EXPERIENCE

Summary of Director Qualifications and Experience	Codey, Lawrence R.	Correll, Donald L.	Downes, Laurence M.	Evans, Robert B.	Howard Jr., M. William	Kenny, Jane M.	K...
Years Served on the Board	15	7	20	5	10	9	1
Utility Transmission/Distribution	•	•	•	•			•
Oil & Gas Exploration	•		•	•			
General Business/Management	•	•	•	•	•	•	•
Regulatory	•	•	•	•		•	•
Finance and Accounting	•	•	•	•	•		•
Corporate Governance	•	•	•		•	•	•
Marketing					•		
Public Relations					•	•	
Technology	•					•	•
Energy Services	•		•	•		•	•
Education	•		•		•	•	•
State and Federal Government	•	•	•		•	•	•
Community Relations	•	•	•		•	•	•
Commodity Trading and Risk Management				•			
Electric Power Generation	•			•		•	•
Legal	•						•
Environmental	•	•				•	•
Renewable Energy			•			•	
Leadership Development and Succession Planning	•	•	•		•	•	•
Bargaining Unit	•	•	•				•

DIRECTOR NOMINATIONS AND EVALUATION PROCESSES

Director Candidate Recommendations and Nominations by Shareholders. The Nominating/Corporate Governance Committee's charter provides that the Nominating/Corporate Governance Committee will consider qualified director candidate recommendations by shareholders. Shareholder nominees will be evaluated under the same standards as nominees recommended by management or the non-management members of the Board. Recommendations should be sent to Office of the Corporate Secretary, New Jersey Resources Corporation, 1415 Wyckoff Road, P.O. Box 1464, Wall, New Jersey 07719. Under our By-Laws, the Corporate Secretary should receive any nomination for director on or before November 6, 2016 for consideration at the 2017 Annual Meeting of Shareholders. In addition, in accordance with our By-Laws, any shareholder entitled to vote for the election of directors may nominate persons for election to the Board if such shareholder complies with the procedures set forth in the By-Laws and summarized above under "Question 19 under QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING: How do I make a shareholder proposal for the 2017 Annual Meeting of Shareholders?" on page 9. The Nominating/Corporate Governance Committee did not receive any recommendations from any shareholders in connection with the Meeting.

Nominating/Corporate Governance Committee Process for Identifying and Evaluating Director Candidates. The Nominating/Corporate Governance Committee identifies and evaluates all director candidates in accordance with the

director qualification standards described in the Corporate Governance Guidelines. The Nominating/Corporate Governance Committee evaluates a candidate's qualifications to serve as a member of the Board based on the background and expertise of individual Board members, as well as the background and expertise

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of the Board as a whole. Nominees will be required to bring the skills, talents, knowledge and expertise to ensure that the composition, structure and operation of the Board serves the best interests of our shareholders. In addition, the Nominating/ Corporate Governance Committee will evaluate a candidate's independence and his or her background and expertise in the context of the Board's needs.

Although the Nominating/Corporate Governance Committee does not have a separate policy regarding diversity, it will consider, in identifying first-time candidates, nominees for director, or evaluating individuals recommended by shareholders, the current composition of the Board in light of the diverse communities and geographies we serve and the interplay of the candidate's or nominee's diverse individual experience, education, skills, background and other qualities and attributes with those of the other Board members. To ensure that the Board's composition reflects the particular needs of the Board and the Company, the Nominating/Corporate Governance Committee incorporates this broad view of diversity into its review and evaluation of new candidates and incumbent nominees in its director nomination process. The Nominating/Corporate Governance Committee and Board monitor its effectiveness through the Board's self-evaluation process.

As described under "*Nominees for Election as Directors*" on page 10, the Nominating/Corporate Governance Committee and the Board believe that the current composition of the Board reflects a group of highly talented individuals with diverse backgrounds, skills, professional and industry experience and other personal qualities and attributes best suited to perform oversight responsibilities for the Company and its shareholders.

Annual Director Performance Evaluations. As required by our Corporate Governance Guidelines, the Board conducts an evaluation of its performance on an annual basis. The Board has the authority to retain advisers or consultants and to provide for their compensation by the Company, as it shall deem appropriate, to assist in designing and implementing such evaluation. Annually, all Board members participate in a self-assessment that is administered by the Nominating/Corporate Governance Committee. The self-assessment focuses on the following areas: board structure, logistics, conduct of the meeting and discharge of board responsibilities. During fiscal year 2015, the Nominating/ Corporate Governance Committee Chair also interviewed each Board member to solicit their views on the Board's performance. The results of the interviews were shared with the Committee and discussed with the Board. Feedback from the leadership team was also solicited and provided to the Board.

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Corporate Governance and Related Matters

Our business and affairs are managed under the direction of the Board in accordance with the New Jersey Business Corporation Act and our Certificate of Incorporation and By-Laws. Members of the Board are kept informed of our business through discussions with the Chairman and Chief Executive Officer and other officers, by reviewing materials provided to them and by participating in meetings of the Board and its committees. The corporate governance practices we follow are summarized below.

BOARD MEETINGS AND ATTENDANCE AT ANNUAL MEETING OF SHAREHOLDERS

During fiscal year 2015, there were 11 meetings of the Board. Each director attended more than 75 percent of the combined meetings of the Board and the committees on which she or he served during the year. We encourage all directors to attend our annual shareholders' meeting. All of the directors serving at the time of the 2015 Annual Meeting of Shareholders held in January 2015 attended that meeting.

BOARD STANDARDS OF INDEPENDENCE

The Board sets our independence standards ("Company Independence Guidelines") in our corporate governance guidelines (the "Corporate Governance Guidelines"). The director independence standards, as set forth in the Company Independence Guidelines, provide that a majority of the Board must be independent under the independence standards established by the Corporate Governance Guidelines, the NYSE and the SEC as in effect from time to time. For a Board member or candidate for election to the Board to qualify as independent, the Board must determine that the person and his or her immediate family members do not have a material relationship with us (either directly or as a partner, shareholder or officer of an organization that has a relationship with us) or any of our affiliates. Under the categorical standards adopted by the Board, a member of the Board is not independent if:

the director is, or has been within the last three years, our employee, or an immediate family member is, or has been within the last three years, an executive officer of the Company;

the director has received, or has an immediate family member who has received, during any 12-month period within the last three years, more than \$120,000 in direct compensation from us, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

(i) the director is a current partner or employee of a firm that is our internal or external auditor; (ii) the director has an immediate family member who is a current partner of such a firm; (iii) the director has an immediate family member who is a current employee of such a firm and personally works on our audit; or (iv) the director or an immediate family member was, within the last three years, a partner or employee of such a firm and personally worked on our

audit within that time;

the director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of our present executive officers at the same time serves or served on that company's compensation committee; or

the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, us for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or two percent, of such other company's consolidated gross revenues.

The Board will also consider a director's charitable relationships. Contributions to tax-exempt organizations are not considered payments for purposes of the test in the final bullet point above, provided that we are required to disclose in our annual proxy statement any such contributions made by us to any tax-exempt organization in which any independent director serves as an executive officer if, within the preceding three years, contributions in any single fiscal year from us to the organization exceeded the greater of \$1 million, or two percent, of such tax-exempt organization's consolidated gross revenues.

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For purposes of the above independence standards, an “immediate family member” includes a person’s spouse, parents, children, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law and anyone (other than domestic employees) who shares such person’s home. When applying the look-back provisions set forth above, the Board need not consider individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.

A Board member may sit on the board of any of our affiliates if, except for being a director on each such board of directors, the member otherwise meets the independence requirements for each such entity, including the receipt of only ordinary-course compensation for serving as a member of the board of directors. Each member of the Board must submit a letter of resignation to the Chairman of the Board when the member changes his or her principal occupation or employment, or leaves or retires from the business with which such occupation or employment was carried out. The letter will be submitted to the Nominating/Corporate Governance Committee who will make a recommendation to the Board regarding such director’s continued service on the Board. The Board will then determine whether to accept such resignation.

With the exception of Mr. Downes, the Chairman of the Board and Chief Executive Officer, the Board has affirmatively determined that each member of the Board is independent in accordance with the above standards. Additionally, we made no contributions during fiscal year 2015 to any charitable organization in which an independent director serves as an executive officer in any single fiscal year within the preceding three fiscal years in an amount in excess of the greater of \$1 million, or two percent, of the charitable organization’s consolidated gross revenues.

The Company Independence Guidelines are described in the Corporate Governance Guidelines and are available free of charge on our website at <http://investor.njresources.com> under the caption “Corporate Governance.” A printed copy is available free of charge to any shareholder who requests it by contacting the Corporate Secretary in writing at Office of the Corporate Secretary, New Jersey Resources Corporation, 1415 Wyckoff Road, Wall, New Jersey 07719.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Our Board has adopted a written related person transaction policy that governs the review, approval or ratification of covered related person transactions. Our Audit Committee manages this policy. The policy generally provides that we may enter into a related person transaction only if:

the Audit Committee approves or ratifies such transaction in accordance with the guidelines set forth in the policy,

the transaction is on terms comparable to those that could be obtained in arm’s length dealings with an unrelated third party,

the transaction is approved by the disinterested members of the Board, or

the transaction involves compensation approved by the Leadership Development and Compensation Committee.

In the event our management determines to recommend a related person transaction to the Audit Committee, that transaction must be presented to the Audit Committee for approval. After review, the Audit Committee will approve or disapprove such transaction. Our management will update the Audit Committee as to any material change to the proposed related person transaction at each subsequently scheduled Audit Committee meeting. When our General Counsel, in consultation with our Chief Executive Officer or our Chief Financial Officer, determines that it is not practicable or desirable for us to wait until the Audit Committee meeting, the Chairman of the Audit Committee possesses delegated authority to act on behalf of the Audit Committee. The Audit Committee or the Chairman approves only those related person transactions that are in, or not inconsistent with, our best interests and the best interests of our shareholders, as the Audit Committee or the Chairman determines in good faith.

For purposes of this policy, a “related person transaction” is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we (or any of our subsidiaries) were, are or will be a participant, and the amount involved exceeds \$120,000 and in which any related person had, has or will have a direct or indirect interest. For purposes of determining whether a transaction is a related person transaction, the Audit Committee relies upon Item 404 of Regulation S-K, promulgated under the Securities Exchange Act of 1934, as amended.

A “related person” is defined as:

Any person who is, or at any time since the beginning of our last fiscal year was, one of our directors or executive officers or a nominee to become one of our directors

Any person who is known to be the beneficial owner of more than five percent of any class of our voting securities

Any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of the director, executive officer, nominee or more than five percent beneficial owner and any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee or more than five percent beneficial owner

Any firm, corporation, or other entity in which any of the foregoing persons is employed or is a general partner or principal or in a similar position or in which such person has a five percent or greater beneficial ownership interest

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Apart from the delivery of regulated natural gas service to any director or executive officer living in our service territory, there have been no related person transactions or proposed transactions since the beginning of fiscal year 2015 between our directors or executive officers, either directly or indirectly, and us. Additionally, there are no legal proceedings to which any director, officer, principal shareholder or any affiliate thereof, is a party that would be material and adverse to us.

BOARD LEADERSHIP STRUCTURE AND ROLE IN RISK OVERSIGHT

Board Leadership Structure. As provided in the Corporate Governance Guidelines, the Board does not have a policy on whether the role of the Chief Executive Officer and Chairman of the Board should be separate or, if it is to be separate, whether the Chairman should be selected from the non-employee directors or be an employee. We currently operate with one individual, Mr. Downes, serving as Chairman of the Board, President and Chief Executive Officer. The Board elected Mr. Downes as President and Chief Executive Officer in July 1995 and Chairman of the Board in September 1996. Prior to his election as our President and Chief Executive Officer, Mr. Downes served as our Senior Vice President and Chief Financial Officer. The Board believes that because Mr. Downes has unique and extensive experience and understanding of our business, as well as more than 20 years of experience serving on our Board, he is well situated to lead and execute strategy and business plans to maximize shareholder value.

The Board believes that combining the Chairman of the Board and Chief Executive Officer positions is the appropriate corporate governance structure for us at this time because it most effectively utilizes Mr. Downes' extensive experience and knowledge regarding the Company, by allowing him to lead Board discussions regarding our business and strategy and providing us with unified leadership.

To ensure that the independent directors play a leading role in our current leadership structure, the Board established the position of Lead Director in the Corporate Governance Guidelines in 2003. Mr. Codey currently serves as our Lead Director. In addition, we maintain a significant majority of independent directors (Mr. Downes is the only non-independent director) and independent Board committees. In this role as Lead Director, Mr. Codey is in frequent contact with the Chairman of the Board and Chief Executive Officer and is regularly consulted on all material matters. The Lead Director is elected by the independent directors and ensures that the Board operates independently of management and directors and that shareholders have an independent leadership contact.

The Lead Director, who must satisfy our independence standards, has the following specific roles and responsibilities:

- Ensures that the Board and its committees function independently of our management
- Chairs Board meetings when the Chairman is not present or when there is a potential conflict
- Confers with the Chairman to develop the agenda for the Board meetings and schedules for the Board and committee meetings
- Provides advice and counsel to the Chairman on Board meeting schedules to ensure there is sufficient time for all agenda items
- Calls meetings and sets agendas for executive sessions of the independent directors

- Evaluates and oversees, with the Chairman, the quality, quantity and timeliness of the information submitted by management to the independent directors
- Acts as a liaison between the independent directors and the Chairman and senior management
- Confers with the Nominating/Corporate Governance Committee Chair and the Chairman as to the membership of the various committees and committee chairs
- Coordinates with the Nominating/Corporate Governance Committee Chair and the Chairman in the performance evaluation of the Board and its committees
- Coordinates with the Nominating/Corporate Governance Committee Chair in the performance evaluation of the Chairman
- Is available for consultation and direct communication, under appropriate circumstances, if requested by major shareholders
- Retains advisors and consultants at the request of the independent directors
- Performs such other duties and responsibilities as may be delegated to the Lead Director by the Board from time to time

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The Board also has four standing Committees: the Audit Committee, the Leadership Development and Compensation Committee, the Nominating/Corporate Governance Committee and the Executive Committee. Each Committee has a separate chairperson and each committee, other than the Executive Committee, is composed solely of independent directors.

Given our current circumstances and operating strategies, we believe having a combined Chairman of the Board and Chief Executive Officer, as well as having a Lead Director and independent standing Board committees, is the most appropriate structure for our shareholders and us. We believe this structure demonstrates clear leadership to our employees, shareholders and other interested parties and eliminates potential for redundancies and confusion. The Lead Director supports the role of the independent directors by providing leadership to the independent directors and working closely with the Chairman of the Board and Chief Executive Officer.

As part of the Board's annual assessment process, the Board evaluates our board leadership structure to ensure that it remains appropriate. The Board recognizes that there may be circumstances in the future that would lead it to separate the roles of Chief Executive Officer and Chairman of the Board, but believes that the absence of a policy requiring either the separation or combination of the roles of Chairman and Chief Executive Officer provides the Board with the flexibility to determine the best leadership structure.

Board's Role in Risk Oversight. The Board is responsible for our risk oversight. Management is responsible for our risk management, including providing oversight and monitoring to ensure our policies are carried out and processes are executed in accordance with our performance goals and risk tolerance. Our management team holds regular meetings that identify, discuss and assess financial risk from current macro-economic, industry and company perspectives. In carrying out its risk oversight function, the Board has four standing committees: the Audit Committee, the Leadership Development and Compensation Committee, the Nominating/Corporate Governance Committee and the Executive Committee. Each committee is responsible for risk oversight within its area of responsibility and regularly reports to the Board. Each of the committee's charters, other than the Executive Committee charter, reflects such responsibilities. Generally, the Board's committees and subsidiary boards of directors oversee the risks as follows:

Audit Committee: Responsible for discussing with management our major financial risk exposures and the steps management has taken to monitor and control such exposures, including our risk assessment and risk management policies. As part of its regular reporting process, management reports and reviews with the Audit Committee our material risks, including, but not limited to, proposed risk factors and other public disclosures, mitigation strategies and our internal controls over financial reporting. The Audit Committee also engages in regular periodic discussions with the Chief Financial Officer and other members of management regarding risks as appropriate. Our internal Risk Management Committee ("RMC") was established by the Audit Committee to develop, implement and enforce risk management procedures for NJRES, NJNG and NJRCEV and continuously monitors our credit risk management, risks related to trading positions, and trading risk policies and procedures applicable to those entities. The RMC is comprised of individuals from our affiliated companies that meet approximately twice a month and provides periodic reports to the Audit Committee. The RMC's duties include, but are not limited to, evaluating the effectiveness of existing credit policies and procedures, reviewing material transactions and discussing emerging issues.

Leadership Development and Compensation Committee: Considers succession planning, human resources risks and risks that may result from our executive compensation programs.

Nominating/Corporate Governance Committee: Considers risks related to corporate governance structure, policies and practices.

Each committee regularly reports to the Board. Moreover, the Board reviews and oversees our various financial policies, financing programs, capital and operating plans, benefit plan management and certain risk management policies.

Subsidiary Boards: Our several subsidiary boards of directors, which are comprised largely of non-management directors, enhance our operational risk oversight. The board of directors of NJNG provides operational and financial risk oversight to that subsidiary, while the boards of directors of NJRES, NJR Energy Investments Corporation, NJRCEV and NJR Clean Energy Ventures II Corporation jointly meet periodically and discuss the operational and financial risks of those subsidiaries.

We believe the current leadership structure of the Board supports the risk oversight functions described above by providing independent leadership at the committee and subsidiary board level, with ultimate oversight by the full Board as led by the Chairman of the Board and Chief Executive Officer and the Lead Director.

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INFORMATION ABOUT THE BOARD'S COMMITTEES

The Board has established various committees to assist it with performing its responsibilities. The information below provides a description of the roles of each committee, as well as membership and meeting information for fiscal year 2015.

Audit Committee

Members: Lawrence R. Codey, Donald L. Correll, Robert B. Evans, Alfred C. Koeppe, J. Terry Strange (Chair)

Meetings held: Eight

Independence: All of the members are independent within the meaning of the listing standards of the NYSE and the independence standards set by the Board as discussed under "INFORMATION ABOUT THE BOARD — Board Standards of Independence" on page 17, and as set forth in Rule 10A-3(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Qualifications: All members are "financially literate" and, as required by the NYSE listing standards, at least one member of the Committee has accounting or related financial management expertise, as such terms are interpreted by the Board in its business judgment. The Board has also determined that each of the members of the Audit Committee is an "audit committee financial expert," as such term is defined in the rules promulgated by the SEC under the Sarbanes-Oxley Act of 2002.

Under the corporate governance requirements of the NYSE listing standards, if an audit committee member simultaneously serves on the audit committee of more than three public companies, the board must determine that such simultaneous service would not impair the ability of such member to effectively serve on the listed company's audit committee. The Board has determined that the service of Mr. Strange and Mr. Evans on the audit committee of more than three public companies would not impair their respective ability to serve effectively as a member of our Audit Committee.

Responsibilities:

- oversees management's responsibilities for accounting, internal control over financial reporting and financial reporting;