

Item 1.01 Entry into a Material Definitive Agreement.

The Board of Directors (the “Board”) of New Jersey Resources Corporation (the “Company”), pursuant to the recommendation of the Board’s Nominating/Corporate Governance Committee, increased (i) the value of the annual equity retainer payable to non-employee directors from \$105,000 to \$110,000 (the number of shares to be based upon the closing price of a share of the Company’s common stock on the date of the grant) and (ii) the lead director additional annual cash retainer from \$20,000 to \$25,000.

The Board approved the changes during its meeting on November 13, 2018, effective January 1, 2019. A summary of the Company’s non-employee director compensation is attached hereto as Exhibit 10.1 and incorporated by reference herein.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) **Fiscal 2019 Officer Annual Incentive Plan**

At its November 13, 2018 meeting, the Leadership Development and Compensation Committee (the “LDCC”) of the Board approved several items relating to compensatory arrangements with its named executive officers (“NEOs”). The details of these approvals are outlined below.

On November 13, 2018, the LDCC approved the Company’s fiscal year 2019 Officer Annual Incentive Plan (the “2019 OIP”) for officers of the Company and its subsidiaries. For fiscal year 2019, each of the Company’s NEOs participate in the 2019 OIP. The objectives for the 2019 OIP are to maintain line of sight for each executive officer by providing them with an understanding of their individual objectives and how they could be achieved based on areas that they impact, continue the linkage to corporate results and provide flexibility to determine awards based on qualitative performance assessments.

The performance criteria for receiving an annual incentive award under the 2019 OIP are net financial earnings (“NFE”), individual leadership and the Company’s “Commitment to Stakeholders” goals. Under the 2019 OIP, a performance hurdle based on the Company’s NFE for fiscal year 2019 must be met in order to be eligible to receive an award. Each of the NEO’s annual incentive awards under the 2019 OIP is based 50 percent on the Company’s NFE, 30 percent on the NEO achieving an individual leadership component and 20 percent on the Company meeting the goals of an overall “Commitment to Stakeholders” component. Under the 2019 OIP, the target annual incentive award opportunity for the NEOs, other than the Chief Executive Officer and the President and Chief Operating Officer, ranges from 40 to 70 percent of base salary and the target annual incentive award opportunities for the Chief Executive Officer and the President and Chief Operating Officer are 110 and 75 percent of base salary, respectively. Actual fiscal year 2019 cash incentive award payments under the 2019 OIP, if earned, could range from 0 percent up to 150 percent of this targeted amount for each of the NEOs. Amounts payable under the 2019 OIP that exceeded 100 percent of the target amount could be paid in full, or in part, in the form of restricted stock units (“RSUs”) and/or Deferred Retention Stock Units (DRSUs) based on the Chief Executive Officer’s recommendation and subsequent approval by the LDCC, or in the case of the Chief Executive Officer, based on the LDCC’s determination.

Edgar Filing: NEW JERSEY RESOURCES CORP - Form 8-K

In addition, under the 2019 OIP, based upon the recommendations of the Chief Executive Officer, the LDCC reserves the ability to modify, based upon its qualitative assessment, any annual incentive award payable. In addition, the Chief Executive Officer, subject to LDCC approval, may recommend special recognition awards to NEOs who have made significant contributions and have demonstrated a sustained level of outstanding performance. The LDCC may approve special recognition awards to the Chief Executive Officer. The special recognition awards, if any, may be in the form of cash, RSUs or DRSUs.

Any award payable to an NEO under the 2019 OIP is subject to the Company's "Compensation Recoupment Policy."

Long-Term Incentive Program Awards

Pursuant to grants made on November 13, 2018, the Board awarded (i) performance share units with performance criteria based upon the Company's total shareholder return ("FY 2019 TSR Performance Share Units") and with performance criteria based upon the Company's cumulative NFE per share ("FY 2019 NFE Performance Share Units") to each of the Company's NEOs; (ii) RSUs to each of the NEOs, other than Mr. Laurence M. Downes, Chief Executive Officer and Mr. Stephen D. Westhoven, President and Chief Operating Officer; (iii) performance-based RSUs with performance criteria based upon an NFE-based performance ("PBRsUs") goal to Messrs. Downes and Westhoven (such awards, together, the "Awards") and (iv) DRSUs to each of the NEOs, all pursuant to the Company's 2017 Stock Award and Incentive Plan.

Performance Share Units

The FY 2019 TSR Performance Share Units vest, if at all, at the end of a 36-month performance period beginning on October 1, 2018, and ending on September 30, 2021, based on relative Company total shareholder return versus an established comparator group.

The FY 2019 NFE Performance Share Units vest, if at all, based upon the Company's cumulative NFE per share over the 36-month period beginning on October 1, 2018, and ending on September 30, 2021.

On their vesting dates, the FY 2019 TSR Performance Share Units and FY 2019 NFE Performance Share Units are payable in shares of the Company's common stock ("Common Stock") in amounts ranging from zero to 150 percent of the number of granted performance share units. Additional shares of Common Stock may be awarded on the vesting dates with respect to the computed value of dividend equivalents accrued (measured against the Common Stock) during the performance measurement periods, subject to the Company's achievement of prescribed performance goals. If the Company's performance does not meet the minimum threshold level, no units will vest.

Restricted Stock Units

The RSUs awarded by the Company to the NEOs will accrue dividends and will vest in three equal installments on October 15, 2019, October 15, 2020 and October 15, 2021, subject to continued employment of the NEO, in each case except under certain conditions. The RSUs are payable in shares of the Company's Common Stock.

Performance-Based Restricted Stock Units

The PBRsUs awarded to Messrs. Downes and Westhoven will accrue dividends and may vest in up to three equal installments on September 30, 2019, September 30, 2020, and September 30, 2021, if the NFE-based performance goal for the fiscal year ending September 30, 2019 is achieved, and subject to their respective continued employment, except under certain conditions. The PBRsUs are payable in shares of the Company's Common Stock.

Deferred Retention Stock Units

The DRSUs awarded to the NEOs will accrue dividends and will vest at the end of the deferral period on October 15, 2021, provided that the NEO complies with certain covenants, including non-competition and non-solicitation restrictions contained in the DRSU award agreement. The DRSUs are payable in shares of the Company's Common Stock.

Award Agreements

The foregoing descriptions of the forms of the FY 2019 TSR Performance Share Unit agreement, the FY 2019 NFE Performance Share Unit agreement, the FY 2019 RSU agreement, the FY 2019 PBRsUs agreement, and FY 2019 DRSU agreement (together, the "Award Agreements"), are qualified in their entirety by the terms and provisions of the Award Agreements, which will be filed as exhibits to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ending on December 31, 2018.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit

Number	Description
10.1	Summary of New Jersey Resources Corporation Non-Employee Director Compensation

Edgar Filing: NEW JERSEY RESOURCES CORP - Form 8-K

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 19, 2018

NEW JERSEY RESOURCES CORPORATION

By: /s/ Patrick J. Migliaccio
Patrick J. Migliaccio
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
<u>10.1</u>	<u>Summary of New Jersey Resources Corporation Non-Employee Director Compensation</u>
