

## **AUDIT COMMITTEE CHARTER**

**(Review Date: April 4, 2023)**

The By-Laws of New Jersey Resources Corporation (together with its subsidiaries, the “Company”) in Article IV, Section 2 require the Board of Directors (“Board”) to appoint an Audit Committee (“Committee”) composed of at least three independent directors (each a “Member,” and together the “Members”). The primary purposes of the Committee are (a) to assist the Board in its oversight of (1) the integrity of the Company’s financial statements; (2) the Company’s compliance with applicable legal and regulatory requirements; (3) assessment of the independent auditor’s qualifications and independence; (4) the performance of the Company’s internal audit function and independent auditors; and (5) risk assessment and risk management, and (b) to prepare an audit committee report, which is required to be included in the Company’s annual proxy statement as required by the U.S. Securities and Exchange Commission’s (“SEC”) rules. The Audit Committee is also required to (1) retain the Company’s independent auditors, (2) review the plan and scope of annual and other independent audits; (3) consult with the independent auditors regarding audit results and financial statements (including compliance with disclosure requirements); (4) oversee the adequacy of the system of internal accounting control; (5) oversee the effectiveness of the internal audit function (including reviewing and consulting with the internal auditors with respect to internal audit results and recommendations); and (6) take such other action as may be required by regulation or law.

The Board, acting in accordance with the By-laws and in furtherance thereof, has adopted this Audit Committee Charter:

### **General**

The Committee shall be appointed by the Board on an annual basis, and the Board shall designate a Chairperson from among its Members. All Committee nominations are the responsibility of the Nominating/Corporate Governance Committee composed of independent directors. In accordance with the rules and requirements of the New York Stock Exchange (“NYSE”), and of the SEC as they may be amended from time to time:

- Each Member shall be financially literate or must become financially literate within a reasonable time after being appointed to the Committee. In addition, at least one Member shall be an audit committee financial expert, as defined by the SEC. The Board shall determine whether the Members meet these criteria.
- All Members shall be determined by the Board to meet the requirements with respect to independence imposed by the rules of the SEC and the NYSE. The Company’s Corporate Governance Guidelines set forth the requirements for a director to be considered independent from management and the Company.
- No Member may simultaneously serve on the audit committees of more than three public companies, unless the Board determines that such simultaneous service does not impair the Member’s ability to effectively serve on the Committee and such determination is disclosed in the proxy statement.

The head of the Internal Auditing Department (“IAD” or the “internal audit function”) of the Company shall report directly to the Committee and, for administrative purposes, the Senior Vice President and

Chief Financial Officer of the Company. The Committee shall have direct access to the independent auditors.

### **Meetings**

The Committee shall hold meetings at least four times a year or more frequently as circumstances dictate, and any additional meetings that may be requested by a Member, the Board, the Chief Executive Officer or the independent auditors. In addition to Members, meetings shall normally be attended by representatives of the independent auditors; the Chief Executive Officer, the General Counsel, the Chief Financial Officer of the Company; and the head of the internal audit function. Other persons, including officers and employees of the Company, may be asked to attend at the Committee's discretion. The Corporate Secretary of the Company or other persons designated by the Committee shall attend the meetings of the Committee to record the minutes thereof. For a portion of each meeting, the Committee shall meet separately with the independent auditors, the head of the internal audit function, the Chief Executive Officer, and other management personnel the Committee deems appropriate. Non-Members may be excused from any meeting, or portion of any meeting, of the Committee upon the request of the Committee Chairperson.

The Committee shall report to the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors, and the performance of the internal audit function.

### **Internal Auditors**

The Committee shall oversee the internal audit function of the Company, including findings of the internal auditors and related management actions, and the adequacy of the staffing of the internal audit function. The Committee shall:

- Review and approve the Internal Audit Charter.
- Review with management and the head of the internal audit function the responsibilities, budget, staffing, and organizational structure of the internal audit function.
- Have final authority to review and approve the internal audit function annual audit plan and all material changes to the plan.
- Ensure there are no unjustified restrictions or limitations on, and review and concur in the appointment, replacement, or dismissal of the head of the internal audit function.
- At least once per year, review the performance of the head of the internal audit function and concur with his or her compensation.
- Review the effectiveness of the internal audit function, which includes an external quality assessment performed at least once every five years by an independent third party.
- On a regular basis, meet in executive sessions with the head of the internal audit function to discuss any matters that the Committee or IAD believes should be discussed privately.

- Review reports from the IAD on the status of significant findings and recommendations and management's responses to such findings and recommendations.

### **Independent Auditors**

The Committee shall be directly responsible for the appointment (subject, if applicable, to shareowner ratification), termination, compensation, and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between management and the Board regarding financial reporting) by the Company for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. Each such registered public accounting firm shall report directly to the Committee. All auditing and non-auditing services provided to the Company by any such auditor shall be preapproved by the Committee. The Committee may establish pre-approval policies and procedures in compliance with applicable SEC rules.

The Committee shall:

- Discuss with management the selection or replacement of the independent auditors; review with the independent auditors, prior to their audit, the scope of their examination; review any non-audit services to be provided by independent auditors and consider the possible effect, if any, of these services on the independence of the independent auditors; review with the independent auditors the estimated fees to be paid for the work performed; evaluate, at least annually, the independent auditors' qualifications and performance, including an evaluation of the lead partner of the independent auditors.
- Ensure the rotation of the lead independent audit firm partner at least every five years and otherwise as required by applicable SEC rules.
- Ensure that the independent auditors submit on a periodic basis a formal written statement delineating all relationships between the independent auditors and the Company and such other written disclosures and the letter from the independent auditors required by applicable requirements of the Public Accounting Oversight Board regarding the independent auditors' communications with the Committee concerning independence; discuss with the independent auditors any such relationships or any services that may have an impact on the objectivity and independence of the independent auditors and take appropriate action in response to such report to satisfy itself of such independence.
- Discuss with the independent auditors such other matters and take such other action, including discussions with respect to the independent auditors' responsibility under generally accepted auditing standards; any problems or difficulties encountered in performing an audit and management's response; significant accounting policies; proposed audit adjustments not recorded, if any; unusual transactions; significant audit adjustments; other information in documents containing audited financial statements; disagreements of the independent auditors with management; the Company's consultation with other accountants; major issues discussed with management prior to retention of the independent auditors; any "management" or "internal control" letter issued, or proposed to be issued, by the audit firm to the Company.
- Establish and maintain guidelines for the Company's hiring of employees or former employees of the independent auditors, which shall meet the requirements of applicable law and listing standards.

- At least annually, obtain and review a report by the independent auditors describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (to assess the auditors' independence) all relationships between the independent auditors and the Company.
- Present conclusions with respect to the independent auditors to the Board.

### **Financial Statement Matters**

The Committee shall:

- Oversee the quarterly and annual reporting of the Company by reviewing the work of management and the independent auditors.
- Review and discuss with management and the independent auditors the Company's audited annual and other financial statements, related footnotes and quarterly financial statements, including reviewing the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the opinion of the independent auditor with respect to the financial statements. Discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies (i.e., discussion of the types of information to be disclosed and the type of presentation to be made). The Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.
- Review major issues regarding accounting principles and financial statement presentations, including any significant events or transactions, changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal control over financial reporting and any special audit steps adopted in light of material control deficiencies.
- Receive from management, on a timely basis, updates and recommendations with regard to existing and proposed significant current financial reporting issues and practices.
- Review analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of all material alternative Generally Accepted Accounting Principles methods on the financial statements.
- Review the effect of regulations and accounting initiatives, as well as any off-balance sheet structures, on the financial statements of the Company.
- Discuss with management and the independent auditors their qualitative judgments about the appropriateness of accounting policies, principles and financial disclosure practices used or proposed to be adopted.
- Discuss with the independent auditors the critical audit matters as required to be reported by Public Company Accounting Board Audit Standards No. 3101. Make such recommendations to the Board as

the Committee deems appropriate with respect to the inclusion of the audited financial statements in the Company's Annual Report on Form 10-K for the last fiscal year for filing with the SEC.

### **Subcommittees**

The Committee shall have the authority to establish designated subcommittees to undertake any of the Committee's responsibilities to the extent permitted by applicable laws and regulations. In creating any subcommittee, the Committee shall select the members of the subcommittee, define its powers and authorities and provide for the subcommittee to report to the full Committee on its activities.

### **Other Matters**

The Company shall provide the Committee appropriate funding, as determined by the Committee, to pay (i) compensation to any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit review or attest services for the Company; (ii) compensation to any legal, accounting or other advisor the Committee shall retain and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee shall:

- Oversee the: (a) adequacy and effectiveness of the internal accounting controls and compliance with the Foreign Corrupt Practices Act of 1977, (b) adequacy, effectiveness and compliance with the Code of Conduct of the Company, and (c) effectiveness of the Company's electronic data processing procedures and controls and related security programs.
- Review and discuss with management cybersecurity risks, including, as applicable: (a) the results of any cybersecurity risk assessments or audits; and (b) reports of investigations into significant cybersecurity events.
- Review and discuss with management the environmental, social and governance ("ESG")-related disclosures contained within the Company's financial statements, securities filings and other public disclosures which may be relied upon by investors and the reporting systems and the disclosure controls and procedures relating to these disclosures.
- Review and discuss with management legislative and regulatory developments, including changes to SEC rules and regulations, affecting ESG and climate risk disclosures within the financial reporting framework and monitor developments in integrated reporting for these areas.
- Review and discuss with management other top and emerging risks to the Company as necessary, including but not limited to operational risk, credit risk, market risk, third party risk management, regulatory risk or any other risks that potentially impact the safety and soundness of the Company or its control environment.
- Review the independent auditors' letter to management, and other comments, if any, regarding the system of internal accounting controls and review any management response thereto.
- Review major issues, if any, arising from an assessment of the adequacy of the Company's internal control over financial reporting and any special audit steps adopted in light of material control deficiencies.

- Discuss with management and the independent auditors the Company's policies and procedures governing the process by which risk assessment and risk management is undertaken. Review and discuss with management, the Company's material financial risk exposures, such as risks relating to financial reporting processes, credit risks, liquidity risks and market risks, and the steps management has taken to monitor and control such exposures. Other committees of the Board will have principal responsibility for reviewing and discussing with management those risk exposures: (i) specified in their charters or (ii) identified from time to time by the committees themselves or by the Audit Committee.
- Discuss with the Chief Executive Officer and Chief Financial Officer any significant deficiencies in the design and operation of internal control over financial reporting, any material weaknesses in internal control over financial reporting and matters of fraud as contemplated by Section 302 of the Sarbanes-Oxley Act of 2002. Review, in conjunction with the Committee's review of the quarterly and annual reports, the process for the Chief Executive Officer and Chief Financial Officer certifications with respect to the financial statements and the Company's disclosure and internal controls.
- Prepare a report to shareowners as required by the SEC to be included in the proxy statement.
- As it deems necessary to carry out its duties, obtain advice and assistance from outside legal, accounting or other advisors.
- Review with management, the independent auditor and the General Counsel, as appropriate, any legal, regulatory or compliance matters that may have a material impact on the Company's financial statements or compliance policies, including any correspondence with or other action by regulators or governmental agencies.
- Assess the Company's policies and procedures with respect to Executive Officers' expense accounts and perquisites, including their use of corporate assets and the reporting of those items (taking into consideration the results of any review of these areas by the internal auditors).
- Establish formal procedures for receiving and handling complaints. Specifically, the Committee establishes procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- Perform annually a self-assessment of the performance of the Committee.
- Oversee the designation of Executive Officers on an annual basis.
- Reassess the adequacy of this Charter and the Internal Audit Department Charter on an annual basis.
- Review and approve related person transactions in accordance with the Statement of Policy with respect to Related Person Transactions and reassess the adequacy of such Policy on an annual basis and, if necessary, recommend amendments for consideration by the Board from time to time.

- Review such other matters as the Committee shall determine from time to time, within the scope of its responsibilities, and make such recommendations to the Board with respect thereto as the Committee deems appropriate.