

MIDDLESEX WATER COMPANY

COMPENSATION COMMITTEE

CHARTER

The Compensation Committee (the “Committee”) administers the compensation and benefits program for executive officers of the Company and the incentive compensation program for all participating employees. In addition, the Committee administers the Compensation program relative to the Board of Directors of the Company in consultation with the Corporate Governance and Nominating Committee. In all its actions, the Committee shall comply with the requirements, rules and regulations of Nasdaq Marketplace listing standards and all other applicable federal and state laws, rules and regulations.

COMPOSITION AND TERM OF OFFICE

The Committee shall consist of at least three members, all of whom are independent directors of the Company, as defined by NASDAQ listing standards. One member shall serve as Chairman of the Committee as appointed by the Board of Directors (the “Board”). The members of the Committee shall serve one-year terms, and shall be elected annually on such date as the Board shall determine.

MEETINGS

- The Committee shall meet at least two times each year.
- Special meetings of the Committee may be called as needed by the Chairman of the Committee, the Chairman of the Board or the Chief Executive Officer.
- The Committee may request that members of management or outside consultants be present to assist the Committee in the performance of its duties. However, the Chief Executive Officer may not be present during voting or deliberations on his or her compensation.
- Minutes of each meeting will be kept and distributed to the Board.

RESPONSIBILITIES

The Committee shall perform the following functions:

- Set and administer policies that govern compensation and benefits for the Chief Executive Officer and all other executive officers of the Company.
- Meet with the Chief Executive Officer to evaluate the performance of the other executive officers.
- Meet to evaluate the performance of the Chief Executive Officer based upon criteria established by the Committee, and to determine or recommend to the Board for determination, the compensation of the Chief Executive Officer and all other Executive Officers of the Company.
- Evaluate the Compensation, Discussion & Analysis (“CD&A”) for inclusion in the Proxy.
- The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the compensation committee. The Company must provide for appropriate funding, as determined by the compensation committee, for payment of reasonable compensation to a compensation consultant, legal counsel or any other adviser retained by the compensation committee.
- The compensation committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the compensation committee, other than in-house legal counsel, only after taking into consideration the following factors:
 - the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;
 - the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;

- the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;
 - any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;
 - any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and
 - any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an Executive Officer of the Company.
- The Committee shall make recommendations to the Board on matters concerning executive compensation and benefits.
 - The Committee shall exercise any fiduciary, administrative or other functions as assigned to it by the Board or the Chairman of the Board.

OTHER RESPONSIBILITIES

- Report to the Board all significant items discussed at any regular or special Committee meeting.
- Review and reassess the adequacy of this Charter on an annual basis and make recommendations to the Board for changes hereto as appropriate.
- Take such further actions or provide such further advice as the Board may from time to time delegate to the Committee.

Re-approved: February 21, 2017