

Docket No. A-2018-3001651
Phoenix Fuel Management Company
Answers to Data Request #1

1. Reference Application, Section 1.e, Customer Complaints Contact Info – Applicant failed to list the job titles for its primary and alternate contacts for complaints and customer service. The application requires the full contact information for a primary and an alternate contact. Please provide an updated application page with the appropriate corrections.

See Attachment #1 with the revised information that is also included below.

Primary

Jordan Kaputkin
Senior Financial Trader and Marketer
1415 Wyckoff Road
Wall, NJ 07719
Telephone: (732) 938-1245
Fax: 732-919-8118
e-mail: jkaputkin@njresources.com

Alternate

Ginger Richman
President
1415 Wyckoff Road, Wall, NJ 07719
Telephone: 732-938-1268
Fax: 732-919-8118
e-mail: griehman@njresources.com

2. Reference Application, Section 5.a, Compliance – Applicant did not provide details for its parent company’s personal and property litigation matters, including details for the gas explosion in February 2015. Please file an updated Application page with the requested information.

See Attachment #2

Applicant’s parent company reports material litigation matters in its public filings with the U.S. Securities and Exchange Commission (the “SEC”). The SEC’s rules and regulations establish the parent company’s public disclosure obligations relative to material litigation matters. The factual, financial and procedural details of such matters, as required by the SEC, can be found in Part II, Item 1 of the parent company’s Quarterly Reports on Form 10-Qs and Part I, Item 3 of the parent company’s Annual Reports on Form 10-Ks. Attachment #2 provides extracts of the parent company’s most recent Form 10-Q and Form 10-K

disclosure of litigation matters. The parent company's SEC filings can also be found at: <https://www.sec.gov/cgi-bin/browse-edgar?CIK=njr&owner=exclude&action=getcompany>.

3. Reference Application, Section 5.c, Compliance – Applicant did not provide details for any fines or actions imposed upon its parent company. Please file an updated Application page with the requested information.

See Attachment #3A and B

Other than the matters reported in response to question #2 above and in Attachment #3 A and B to the Applicant's Reference Application, there is nothing further to report relative to the parent company. Attachment #3A and B have been attached for your reference.

4. Reference Application, Section 7.a, Bonding Letters – Applicant failed to provide the required bonding letters for Philadelphia Gas Works and National Fuel Gas Distribution Corporation. Please provide the missing documentation.

See Attachments #4 (Philadelphia Gas Works) and #5 (National Fuel Gas)

5. Reference Application, Section 7.b, Financial Fitness – Applicant did not provide sufficient documentation to demonstrate financial fitness. Applicant did provide evidence for its parent company, NJR Resources Corporation. Please provide either financial fitness documentation for applicant or an agreement signed by parent to assume financial responsibility for applicant. Please provide the missing documentation.

See Attachment #6

6. Reference Application, Section 8.d, Oversight of Marketing – Applicant failed to provide its Code of Conduct for New Jersey Resources Corporation and its Wholesale Trading Code of Conduct. Please provide the missing documentation.

See Attachments #7 (CoC for NJR) and #8 (Wholesale Trading CoC)

A-2018-3001651

§1.36 Verification.

Verification

I, Ginger P. Richman, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief), and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

5/17/2018

Date

DocuSigned by:
Ginger P. Richman
C14EDBA7D7B844D...

Signature

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Application of Phoenix Fuel Management Company, d/b/a _____, for approval to offer, render, furnish, or supply natural gas supply services as a(n) Supplier [as specified in item #4b below] to the public in the Commonwealth of Pennsylvania (Pennsylvania).

To the Pennsylvania Public Utility Commission:

1. IDENTIFICATION AND CONTACT INFORMATION

- a. **IDENTITY OF THE APPLICANT:** Provide name (*including any fictitious name or d/b/a*), primary address, web address, and telephone number of Applicant:

Phoenix Fuel Management Company
1415 Wyckoff Road
Wall, NJ 07719

Web Address: www.njresources.com

Telephone Number: 732-938-1158

- b. **PENNSYLVANIA ADDRESS / REGISTERED AGENT:** If the Applicant maintains a primary address outside of Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's secondary office within Pennsylvania. If the Applicant does not maintain a physical location within Pennsylvania, provide the name, address, telephone number, and fax number of the Applicant's Registered Agent within Pennsylvania.

Phoenix Fuel Management Company
c/o NJR Energy Services Company
Attn: Terry Crupi
600 Hamilton Street
Allentown, PA 18101
Telephone: 610-601-0448
Fax: 732-919-8118

- c. **REGULATORY CONTACT:** Provide the name, title, address, telephone number, fax number, and e-mail address of the person to whom questions about this Application should be addressed.

William Scharfenberg
Assistant General Counsel
1415 Wyckoff Road
Wall, NJ 07719
Telephone: 732-938-1134
Fax: 732-919-8118
wscharfenberg@njresources.com

- d. **ATTORNEY:** Provide the name, address, telephone number, fax number, and e-mail address of the Applicant's attorney. If the Applicant is not using an attorney, explicitly state so.

William Scharfenberg
Assistant General Counsel
1415 Wyckoff Road
Wall, NJ 07719
Telephone: 732-938-1134
Fax: 732-919-8118
wscharfenberg@njresources.com

- e. **CONTACTS FOR CONSUMER SERVICE AND COMPLAINTS:** Provide the name, title, address, telephone number, fax number, and e-mail **OF THE PERSON AND AN ALTERNATE PERSON (2 REQUIRED)** responsible for addressing customer complaints. These persons will ordinarily be the initial point(s) of contact for resolving complaints filed with the Applicant, the Natural Gas Distribution Company, the Pennsylvania Public Utility Commission, or other agencies. The main contact's information will be listed on the Commission website list of licensed NGSs.

Primary
Jordan Kaputkin
Senior Financial Trader and Marketer
1415 Wyckoff Road
Wall, NJ 07719
Telephone: 732-938-1245
Fax: 732-919-8118
e-mail: jkaputkin@njresources.com

Alternate
Ginger Richman
President
1415 Wyckoff Road, Wall, NJ 07719
Telephone: 732-938-1268
Fax: 732-919-8118
e-mail: grichman@njresources.com

2. BUSINESS ENTITY FILINGS AND REGISTRATION

- a. **FICTITIOUS NAME:** (Select appropriate statement and provide supporting documentation as listed.)

The Applicant will be using a fictitious name or doing business as ("d/b/a")

Provide a copy of the Applicant's filing with Pennsylvania's Department of State Pursuant to 54 Pa. C.S. §311.

Or

X The Applicant will not be using a fictitious name.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2018
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

Commission file number 001-08359

NEW JERSEY RESOURCES CORPORATION

(Exact name of registrant as specified in its charter)

New Jersey
(State or other jurisdiction of
incorporation or organization)

22-2376465
(I.R.S. Employer
Identification Number)

1415 Wyckoff Road, Wall, New Jersey 07719

(Address of principal
executive offices)

732-938-1480

(Registrant's telephone number,
including area code)

Securities registered pursuant to Section 12 (b) of the Act:

Common Stock - \$2.50 Par Value

(Title of each class)

New York Stock Exchange

(Name of each exchange on which registered)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes: No:

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes: No:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer:

Accelerated filer:

Non-accelerated filer: (Do not check if a smaller reporting company)

Smaller reporting company:

Emerging growth company:

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes: No:

The number of shares outstanding of \$2.50 par value Common Stock as of May 2, 2018 was 87,733,268.

New Jersey Resources Corporation
Part I

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In addition, as of March 31, 2018 and September 30, 2017, the Company had an ITC/PTC carryforward of approximately \$127.8 million and \$109.3 million, respectively, which each have a life of 20 years. The Company expects to utilize this entire carryforward, which would begin to expire in fiscal 2035.

On March 7, 2018, the State of New Jersey notified the Company that it will conduct a general tax examination for fiscal year 2014 through 2017 related to NJRHS. All periods subsequent to those ended September 30, 2013, are statutorily open to examination.

In December 2015, the Consolidated Appropriations Act extended the 30 percent ITC for solar property that is under construction on or before December 31, 2019. The credit will decline to 26 percent for property under construction during 2020 and to 22 percent for property under construction during 2021. For any property that is under construction before 2022, but not placed in service before 2024, the ITC will be reduced to 10 percent. In addition, the PTC was extended for five years through December 31, 2019, with a gradual three year phase out for any project for which construction of the facility begins after December 31, 2016.

12. COMMITMENTS AND CONTINGENT LIABILITIES

Cash Commitments

NJNG has entered into long-term contracts, expiring at various dates through September 2024, for the supply, storage and transportation of natural gas. These contracts include fixed charges of approximately \$54.5 million at current contract rates and volumes for the remainder of the fiscal year, which are recoverable through BGSS.

For the purpose of securing storage and pipeline capacity, Energy Services enters into storage and pipeline capacity contracts, which require the payment of certain demand charges by Energy Services to maintain the ability to access such natural gas storage or pipeline capacity, during a fixed time period, which generally ranges from one to 10 years. Demand charges are established by interstate storage and pipeline operators and are regulated by FERC. These demand charges represent commitments to pay storage providers or pipeline companies for the right to store and/or transport natural gas utilizing their respective assets.

Commitments as of March 31, 2018, for natural gas purchases and future demand fees for the next five fiscal year periods are as follows:

<i>(Thousands)</i>	2018	2019	2020	2021	2022	Thereafter
Energy Services:						
Natural gas purchases	\$ 256,179	\$ 134,005	\$ 20,506	\$ 11,112	\$ —	\$ —
Storage demand fees	19,299	30,207	17,581	11,137	6,053	3,521
Pipeline demand fees	36,071	55,988	42,807	25,143	21,039	22,563
Sub-total Energy Services	\$ 311,549	\$ 220,200	\$ 80,894	\$ 47,392	\$ 27,092	\$ 26,084
NJNG:						
Natural gas purchases	\$ 40,088	\$ 41,715	\$ 39,370	\$ 37,655	\$ 38,684	\$ 80,788
Storage demand fees	15,479	31,362	24,245	14,243	12,922	15,070
Pipeline demand fees	39,002	79,503	105,514	92,880	91,508	671,743
Sub-total NJNG	\$ 94,569	\$ 152,580	\$ 169,129	\$ 144,778	\$ 143,114	\$ 767,601
Total	\$ 406,118	\$ 372,780	\$ 250,023	\$ 192,170	\$ 170,206	\$ 793,685

Legal Proceedings

Manufactured Gas Plant Remediation

NJNG is responsible for the remedial cleanup of five MGP sites, dating back to gas operations in the late 1800s and early 1900s, which contain contaminated residues from former gas manufacturing operations. NJNG is currently involved in administrative proceedings with the NJDEP, and participating in various studies and investigations by outside consultants, to determine the nature and extent of any such contaminated residues and to develop appropriate programs of remedial action, where warranted, under Administrative Consent Orders or Memoranda of Agreement with the NJDEP.

NJNG recovers its remediation expenditures, including carrying costs, over rolling seven-year periods pursuant to a RAC approved by the BPU. NJNG currently recovers approximately \$9.4 million annually through its SBC RAC. On November 17, 2017, NJNG filed its annual SBC application requesting a reduction in the RAC, which decreased the annual recovery to \$7 million, effective April 1, 2018. As of March 31, 2018, \$28.9 million of previously incurred remediation costs, net of recoveries from customers and insurance proceeds, are included in regulatory assets on the Unaudited Condensed Consolidated Balance Sheets.

New Jersey Resources Corporation
Part I

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In the first quarter of fiscal 2018, the NJDEP contacted NJNG regarding its association with a parcel of land, located within NJNG's service territory, which may have been a MGP site for a period of time. NJNG is investigating to determine the nature and extent of its relationship to the parcel, its previous owner and the operations conducted on the site. NJNG will continue to gather information to determine whether a potential obligation exists to undertake remedial action, if any, and whether there are other potentially responsible parties.

NJNG periodically, and at least annually, performs an environmental review of the MGP sites, including a review of potential liability for investigation and remedial action. NJNG estimated at the time of the most recent review that total future expenditures to remediate and monitor the five MGP sites for which it is responsible, including potential liabilities for Natural Resource Damages that might be brought by the NJDEP for alleged injury to groundwater or other natural resources concerning these sites, will range from approximately \$117.6 million to \$205.2 million. NJNG's estimate of these liabilities is based upon known facts, existing technology and enacted laws and regulations in place when the review was completed. Where it is probable that costs will be incurred, and the information is sufficient to establish a range of possible liability, NJNG accrues the most likely amount in the range. If no point within the range is more likely than the other, it is NJNG's policy to accrue the lower end of the range. Accordingly, NJNG recorded an MGP remediation liability and a corresponding regulatory asset on the Unaudited Condensed Consolidated Balance Sheets of \$149 million as of September 30, 2017, based on the most likely amount at year end and \$142.5 million as of March 31, 2018, which includes adjustments for actual expenditures during fiscal 2018. The actual costs to be incurred by NJNG are dependent upon several factors, including final determination of remedial action, changing technologies and governmental regulations, the ultimate ability of other responsible parties to pay and any insurance recoveries.

NJNG will continue to seek recovery of MGP-related costs through the RAC. If any future regulatory position indicates that the recovery of such costs is not probable, the related non-recoverable costs would be charged to earnings in the period of such determination.

General

The Company is involved, and from time to time in the future may be involved, in a number of pending and threatened judicial, regulatory and arbitration proceedings relating to matters that arise in the ordinary course of business. In view of the inherent difficulty of predicting the outcome of litigation matters, particularly when such matters are in their early stages or where the claimants seek indeterminate damages, the Company cannot state with confidence what the eventual outcome of the pending litigation will be, what the timing of the ultimate resolution of these matters will be, or what the eventual loss, fines or penalties related to each pending matter will be, if any. In accordance with applicable accounting guidance, NJR establishes reserves for litigation for those matters that present loss contingencies as to which it is both probable that a loss will be incurred and the amount of such loss can be reasonably estimated. Based upon currently available information, NJR believes that the results of litigation that is currently pending, taken together, will not have a materially adverse effect on the Company's financial condition, results of operations or cash flows. The actual results of resolving the pending litigation matters may be substantially higher than the amounts reserved.

The foregoing statements about NJR's litigation are based upon the Company's judgments, assumptions and estimates and are necessarily subjective and uncertain. The Company has a number of threatened and pending litigation matters at various stages. Certain of the Company's significant litigation is described below.

In February 2015, a natural gas fire and explosion occurred in Stafford Township, New Jersey as a result of a natural gas leak emanating from an underground pipe. There were no fatalities, although several employees of NJNG were injured and several homes were damaged. NJNG notified its insurance carrier and believes that any costs associated with the incident, including attorneys' fees, property damage and other losses, will be substantially covered by insurance. The Company believes the resolution of any potential claims associated with the incident will not have a material effect on its financial condition, results of operations or cash flows. As of March 31, 2018, NJNG estimates that liabilities associated with claims will range between \$600,000 and \$3.2 million and has accrued the lower end of the range, as we do not believe there is an amount within the range that is more probable than any other.

New Jersey Resources Corporation
Part I

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and principal financial officer concluded that, as of end of the period covered by this report, our disclosure controls and procedures are effective, to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There has been no change in internal control over financial reporting (as such term is defined in Exchange Act Rule 13a-15(f)) that occurred during the quarter ended March 31, 2018, that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

ITEM 1. LEGAL PROCEEDINGS

Information regarding reportable legal proceedings is contained in *Part I, Item 3. Legal Proceedings* in our Annual Report on Form 10-K for the year ended September 30, 2017, and is set forth in *Part I, Item 1, Note 12. Commitments and Contingent Liabilities-Legal Proceedings* on the Unaudited Condensed Consolidated Financial Statements, which is incorporated by reference. No legal proceedings became reportable during the quarter ended March 31, 2018, and there have been no material developments during such quarter regarding any previously reported legal proceedings, which have not been previously disclosed.

ITEM 1A. RISK FACTORS

While we attempt to identify, manage and mitigate risks and uncertainties associated with our business to the extent practical, under the circumstances, some level of risk and uncertainty will always be present. *Part I, Item 1A. Risk Factors* of our 2017 Annual Report on Form 10-K includes a detailed discussion of our risk factors. Those risks and uncertainties have the potential to materially affect our financial condition and results of operations. There have been no material changes in our risk factors from those previously disclosed in *Part I, Item 1A*, of our 2017 Annual Report on Form 10-K.

ITEM 2. UNREGISTERED SALE OF EQUITY SECURITIES AND USE OF PROCEEDS

The following table sets forth our repurchase activity for the quarter ended March 31, 2018:

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under the Plans or Programs
1/01/18 - 1/31/18	—	\$ —	—	2,431,053
2/01/18 - 2/28/18	—	—	—	2,431,053
3/01/18 - 3/31/18	—	—	—	2,431,053
Total	—	\$ —	—	2,431,053

The stock repurchase plan, which was authorized by our Board of Directors, became effective in September 1996 and as of March 31, 2018, included 19.5 million shares of common stock for repurchase, of which, approximately 2.4 million shares remained available for repurchase. The stock repurchase plan will expire when we have repurchased all shares authorized for repurchase thereunder, unless the repurchase plan is earlier terminated by action of our Board of Directors or further shares are authorized for repurchase.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM TO

Commission file number 001-08359

NEW JERSEY RESOURCES CORPORATION

(Exact name of registrant as specified in its charter)

New Jersey

(State or other jurisdiction of
incorporation or organization)

22-2376465

(I.R.S. Employer
Identification Number)

1415 Wyckoff Road, Wall, New Jersey 07719

(Address of principal
executive offices)

732-938-1480

(Registrant's telephone number,
including area code)

Securities registered pursuant to Section 12 (b) of the Act:

Common Stock - \$2.50 Par Value

(Title of each class)

New York Stock Exchange

(Name of each exchange on which registered)

Securities registered pursuant to Section 12 (g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes: No:

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes: No:

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes: No:

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes: No:

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer:

Accelerated filer:

Non-accelerated filer:

(Do not check if a smaller reporting company)

Smaller reporting company:

Emerging growth company:

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes: No:

The aggregate market value of the Registrant's Common Stock held by non-affiliates was \$3,356,717,008 based on the closing price of \$39.60 per share on March 31, 2017, as reported on the New York Stock Exchange.

The number of shares outstanding of \$2.50 par value Common Stock as of November 17, 2017 was 86,866,461.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement for the Annual Meeting of Shareowners (Proxy Statement) to be held on January 24, 2018, are incorporated by reference into Part I and Part III of this report.

New Jersey Resources Corporation
Part I

ITEM 2. PROPERTIES (Continued)

All Other Business Operations

As of September 30, 2017, CR&R's real estate portfolio consisted of 35 acres of undeveloped land in Atlantic County with a net book value of \$1.4 million.

NJRHS leases service centers in Dover, Morris County and Wall, Monmouth County, New Jersey.

Capital Expenditure Program

See *Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* for a discussion of anticipated fiscal 2018 and 2019 capital expenditures, as applicable to the Company's reporting segments and business operations.

ITEM 3. LEGAL PROCEEDINGS

Manufactured Gas Plant Remediation

NJNG is responsible for the remedial cleanup of five MGP sites, dating back to gas operations in the late 1800s and early 1900s, which contain contaminated residues from former gas manufacturing operations. NJNG is currently involved in administrative proceedings with the NJDEP, and is participating in various studies and investigations by outside consultants to determine the nature and extent of any such contaminated residues and to develop appropriate programs of remedial action, where warranted, under Administrative Consent Orders or a Memoranda of Agreement with the NJDEP.

NJNG may recover its remediation expenditures, including carrying costs, over rolling seven-year periods pursuant to a RAC approved by the BPU. NJNG currently recovers approximately \$9.4 million annually through its SBC RAC. On November 17, 2017, NJNG filed its annual SBC application requesting a reduction in the RAC, which will decrease the annual recovery to \$7 million, effective April 1, 2018. As of September 30, 2017, \$28.5 million of previously incurred remediation costs, net of recoveries from customers and insurance proceeds, are included in regulatory assets on the Consolidated Balance Sheets.

NJNG periodically, and at least annually, performs an environmental review of the MGP sites, including a review of potential liability for investigation and remedial action. NJNG estimated at the time of the most recent review that total future expenditures to remediate and monitor the MGP sites for which it is responsible, including potential liabilities for Natural Resource Damages that might be brought by the NJDEP for alleged injury to groundwater or other natural resources concerning these sites, will range from approximately \$117.6 million to \$205.2 million. NJNG's estimate of these liabilities is based upon known facts, existing technology and enacted laws and regulations in place when the review was completed. Where it is probable that costs will be incurred, and the information is sufficient to establish a range of possible liability, NJNG accrues the most likely amount in the range. If no point within the range is more likely than the other, it is NJNG's policy to accrue the lower end of the range. Accordingly, as of September 30, 2017, NJNG recorded an MGP remediation liability and a corresponding regulatory asset of \$149 million on the Consolidated Balance Sheets, based on the most likely amount. This was reduced from \$172 million in fiscal 2016, due to the completion of remediation work at certain sites and a reduction to the remediation scope at another site. The actual costs to be incurred by NJNG are dependent upon several factors, including final determination of remedial action, changing technologies and governmental regulations, the ultimate ability of other responsible parties to pay and any insurance recoveries.

NJNG will continue to seek recovery of MGP-related costs through the RA. If any future regulatory position indicates that the recovery of such costs is not probable, the related non-recoverable costs would be charged to income in the period of such determination.

Litigation

We are involved, and from time to time in the future may be involved, in a number of pending and threatened judicial, regulatory and arbitration proceedings relating to matters that arise in connection with the conduct of its business, certain of which litigation matters are described in *Note 14. Commitments and Contingent Liabilities* in the accompanying Consolidated Financial Statements. In view of the inherent difficulty of predicting the outcome of litigation matters, particularly when such matters are in their early stages or where the claimants seek indeterminate damages, we cannot state with confidence what the eventual outcome of the pending litigation will be, what the timing of the ultimate resolution of these matters will be, or what the eventual loss, fines or penalties related to each pending matter will be, if any.

**New Jersey Resources Corporation
Part I**

ITEM 3. LEGAL PROCEEDINGS

In accordance with applicable accounting guidance, we establish reserves for litigation for those matters that present loss contingencies as to which it is both probable that a loss will be incurred and the amount of such loss can be reasonably estimated. Based upon currently available information, we believe that the results of litigation that is currently pending, taken together, will not have a materially adverse effect on our financial condition, results of operations or cash flows. The actual results of resolving the pending litigation matters may be substantially higher than the amounts reserved.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable

ITEM 4A. EXECUTIVE OFFICERS OF THE COMPANY

The Company's Executive Officers and their age, position and business experience during the past five years are set forth below.

Name	Age	Officer since	Office held during last five years
Laurence M. Downes	60	1986	Chairman of the Board (September 1996 - present) President and Chief Executive Officer (July 1995 - present)
Patrick J. Migliaccio	43	2013	Senior Vice President (January 2016 - present) Chief Financial Officer (January 2016 - present) Vice President, Finance and Accounting (November 2014 - December 2015) Treasurer (August 2013 - May 2015) Corporate Controller (January 2012 - August 2013)
Stephen D. Westhoven	49	2004	Executive Vice President and Chief Operating Officer (November 2017 - present) Senior Vice President and Chief Operating Officer, NJRES and NJRCEV (October 2016 - October 2017) Senior Vice President, NJRES (May 2010 - September 2016)
Kathleen T. Ellis	64	2004	Executive Vice President, Policy and Strategic Development, NJR (October 2016 - present) Executive Vice President and Chief Operating Officer, NJNG (February 2008 - September 2016) Senior Vice President, Corporate Affairs (December 2004 - present)
Amanda E. Mullan	51	2015	Senior Vice President and Chief Human Resources Officer (January 2017 - present) Vice President and Chief Human Resources Officer (April 2015 - December 2016) Senior Vice President of HR, N. America, Willis Group Holdings, a risk management and insurance intermediary (April 2012 - April 2015)
Jacqueline K. Shea	53	2016	Vice President and Chief Information Officer (June 2016 - present) Chief Information Officer, Godiva Chocolatier, a manufacturer of premium fine chocolates and related products (March 2011 - May 2016)
Nancy A. Washington	53	2017	Senior Vice President and General Counsel (March 2017 - present) Senior Vice President and Chief Litigation Counsel, CIT Group Inc., a Livingston, NJ-based financial services firm (September 2010 - March 2017)

New Jersey Resources Corporation
Part II

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

14. COMMITMENTS AND CONTINGENT LIABILITIES

Cash Commitments

NJNG has entered into long-term contracts, expiring at various dates through October 2033, for the supply, storage and transportation of natural gas. These contracts include annual fixed charges of approximately \$98.6 million at current contract rates and volumes, which are recoverable through BGSS.

For the purpose of securing storage and pipeline capacity, our Energy Services segment enters into storage and pipeline capacity contracts, which require the payment of certain demand charges by Energy Services to maintain the ability to access such natural gas storage or pipeline capacity, during a fixed time period, which generally ranges from one to 10 years. Demand charges are established by interstate storage and pipeline operators and are regulated by FERC. These demand charges represent commitments to pay storage providers or pipeline companies for the right to store and/or transport natural gas utilizing their respective assets.

Commitments as of September 30, 2017, for natural gas purchases and future demand fees for the next five fiscal year periods, are as follows:

<i>(Thousands)</i>	2018	2019	2020	2021	2022	Thereafter
Energy Services:						
Natural gas purchases	\$ 296,491	\$ 114,817	\$ 22,270	\$ 11,488	\$ —	\$ —
Storage demand fees	32,870	22,638	13,350	9,041	5,833	2,746
Pipeline demand fees	55,916	32,412	23,804	21,621	19,653	19,311
Sub-total Energy Services	\$ 385,277	\$ 169,867	\$ 59,424	\$ 42,150	\$ 25,486	\$ 22,057
NJNG:						
Natural gas purchases	\$ 51,050	\$ 41,156	\$ 2,514	\$ —	\$ —	\$ —
Storage demand fees	30,042	26,628	15,331	8,231	7,804	3,903
Pipeline demand fees	68,544	102,091	100,909	91,231	89,859	642,481
Sub-total NJNG	\$ 149,636	\$ 169,875	\$ 118,754	\$ 99,462	\$ 97,663	\$ 646,384
Total	\$ 534,913	\$ 339,742	\$ 178,178	\$ 141,612	\$ 123,149	\$ 668,441

As of September 30, 2017, the Company's future minimum lease payments under various operating leases will not be more than \$2.6 million annually for the next five years and \$38.3 million in the aggregate for all years thereafter.

Guarantees

As of September 30, 2017, there were NJR guarantees covering approximately \$331.4 million of Energy Services' natural gas purchases and demand fee commitments not yet reflected in accounts payable on the Consolidated Balance Sheets.

Legal Proceedings

Manufactured Gas Plant Remediation

NJNG is responsible for the remedial cleanup of five MGP sites, dating back to gas operations in the late 1800s and early 1900s, which contain contaminated residues from former gas manufacturing operations. NJNG is currently involved in administrative proceedings with the NJDEP, and participating in various studies and investigations by outside consultants, to determine the nature and extent of any such contaminated residues and to develop appropriate programs of remedial action, where warranted, under Administrative Consent Orders or Memoranda of Agreement with the NJDEP.

NJNG may recover its remediation expenditures, including carrying costs, over rolling seven-year periods pursuant to a RAC approved by the BPU. NJNG currently recovers approximately \$9.4 million annually through its SBC RAC. On November 17, 2017, NJNG filed its annual SBC application requesting a reduction in the RAC, which will decrease the annual recovery to \$7 million, effective April 1, 2018. As of September 30, 2017, \$28.5 million of previously incurred remediation costs, net of recoveries from customers and insurance proceeds, are included in regulatory assets on the Consolidated Balance Sheets.

New Jersey Resources Corporation
Part II

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA (Continued)

NJNG periodically, and at least annually, performs an environmental review of the MGP sites, including a review of potential liability for investigation and remedial action. NJNG estimated at the time of the most recent review that total future expenditures to remediate and monitor the five MGP sites for which it is responsible, including potential liabilities for Natural Resource Damages that might be brought by the NJDEP for alleged injury to groundwater or other natural resources concerning these sites, will range from approximately \$117.6 million to \$205.2 million. NJNG's estimate of these liabilities is based upon known facts, existing technology and enacted laws and regulations in place when the review was completed. Where it is probable that costs will be incurred, and the information is sufficient to establish a range of possible liability, NJNG accrues the most likely amount in the range. If no point within the range is more likely than the other, it is NJNG's policy to accrue the lower end of the range. Accordingly, as of September 30, 2017, NJNG recorded an MGP remediation liability and a corresponding regulatory asset of \$149 million on the Consolidated Balance Sheets, based on the most likely amount. This was reduced from \$172 million in fiscal 2016, due to the completion of remediation work at some of sites and a reduction to the remediation scope at another site. The actual costs to be incurred by NJNG are dependent upon several factors, including final determination of remedial action, changing technologies and governmental regulations, the ultimate ability of other responsible parties to pay and any insurance recoveries.

NJNG will continue to seek recovery of MGP-related costs through the RAC. If any future regulatory position indicates that the recovery of such costs is not probable, the related non-recoverable costs would be charged to income in the period of such determination.

Litigation

The Company is involved, and from time to time in the future may be involved, in a number of pending and threatened judicial, regulatory and arbitration proceedings relating to matters that arise in connection with the conduct of its business. In view of the inherent difficulty of predicting the outcome of litigation matters, particularly when such matters are in their early stages or where the claimants seek indeterminate damages, the Company cannot state with confidence what the eventual outcome of the pending litigation will be, what the timing of the ultimate resolution of these matters will be, or what the eventual loss, fines or penalties related to each pending matter will be, if any. In accordance with applicable accounting guidance, NJR establishes reserves for litigation for those matters that present loss contingencies as to which it is both probable that a loss will be incurred and the amount of such loss can be reasonably estimated. Based upon currently available information, NJR believes that the results of litigation that is currently pending, taken together, will not have a materially adverse effect on the Company's financial condition, results of operations or cash flows. The actual results of resolving the pending Litigation matters may be substantially higher than the amounts reserved.

The foregoing statements about NJR's litigation are based upon the Company's judgments, assumptions and estimates and are necessarily subjective and uncertain. The Company has a number of threatened and pending litigation matters at various stages. Certain of the Company's significant litigation is described below.

On February 24, 2015, a natural gas fire and explosion occurred in Stafford Township, New Jersey as a result of a natural gas leak emanating from an underground pipe. There were no fatalities, although several employees of NJNG were injured and several homes were damaged. NJNG notified its insurance carrier and believes that any costs associated with the incident, including attorneys' fees, property damage and other losses, will be substantially covered by insurance. The Company believes the resolution of any potential claims associated with the incident will not have a material effect on its financial condition, results of operations or cash flows. As of September 30, 2017, NJNG estimates that liabilities associated with claims will range between \$600,000 and \$3.2 million and has accrued the lower end of the range.

15. REPORTING SEGMENT AND OTHER OPERATIONS DATA

The Company organizes its businesses based on a combination of factors, including its products and its regulatory environment. As a result, the Company manages its businesses through the following reporting segments and other operations: the Natural Gas Distribution segment consists of regulated energy and off-system, capacity and storage management operations; the Clean Energy Ventures segment consists of capital investments in clean energy projects; the Energy Services segment consists of unregulated wholesale and retail energy operations; the Midstream segment consists of the Company's investments in natural gas transportation and storage facilities; the Home Services and Other operations consist of heating, cooling and water appliance sales, installations and services, other investments and general corporate activities.

5. COMPLIANCE

- a. **CRIMINAL/CIVIL PROCEEDINGS:** State specifically whether the Applicant, an affiliate, a predecessor of either, or a person identified in this Application, has been or is currently the defendant of a criminal or civil proceeding within the last five (5) years.

Identify all such proceedings (active or closed), by name, subject and citation; whether before an administrative body or in a judicial forum. If the Applicant has no proceedings to list, explicitly state such.

RESPONSE:

- i) **CRIMINAL PROCEEDINGS:** The Applicant, an affiliate, a predecessor of either, or a person identified in this Application, have NOT been and are NOT currently the defendant of a criminal proceeding within the last five (5) years.
- ii) **CIVIL PROCEEDINGS:**
- a. The *Applicant* is a new entity with no predecessors and is not currently or within the last five (5) years the defendant in any civil proceedings.
 - b. *Affiliated companies of the Applicant* are currently and have been within the last five (5) years a defendant in various civil proceedings relating to matters that arise in connection with the conduct of their businesses that are not material. For example:
 - i. 25 personal injury litigation matters,
 - ii. 20 property damage litigation matters,
 - iii. 10 employment matters, and
 - iv. various other litigation for breach of contract related to appliance, equipment and/or pipe installation, property damage, and automobile accidents.

Material matters are reported in public filings with the U.S. Securities and Exchange Commission and, within the last five (5) years, include only a public utility affiliate's requirement to remediate properties affected by historic manufactured gas plants and a single gas explosion in February 2015 resulting in injury to utility employees and damage to several residential properties.

- b. **SUMMARY:** If applicable; provide a statement as to the resolution or present status of any such proceedings listed above.

RESPONSE:

To the extent the affiliated companies of the Applicant are currently a defendant in any civil proceeding relating to matters arising in the ordinary course of their businesses, the affiliated companies believe that the results of the litigation will not have a material adverse effect on its financial condition, results of operations or cash flows for any particular period, depending in part on the operating results for that period.

- c. **CUSTOMER/REGULATORY/PROSECUTORY ACTIONS:** Identify all formal or escalated actions or complaints filed with or by a customer, regulatory agency, or prosecutory agency against the

Applicant, an affiliate, a predecessor of either, or a person identified in this Application, for the prior five (5) years, including but not limited to customers, Utility Commissions and Consumer Protection Agencies such as the Offices of Attorney General. If the Applicant has no actions or complaints to list, explicitly state such.

RESPONSE:

As stated above, the Applicant is a newly formed entity with no predecessors and, therefore, is not currently (or in the past five (5) years) the subject of any formal or escalated actions or complaints by a customer, regulatory agency or prosecutory agency.

One of the affiliated entities of the Applicant is a Public Utility and as such processes approximately 275 escalated customer complaints per year for the last five (5) years to the New Jersey Board of Public Utilities or Consumer Protection Agencies. Another affiliated company which installs heating, air conditioning and other consumer appliances processed, on average, 20 escalated customer complaints per year to regulatory or consumer protection agencies.

- d. **SUMMARY:** If applicable; provide a statement as to the resolution or present status of any actions listed above.

RESPONSE:

To the extent the Public Utility affiliated entity is party to any formal or escalated actions or complaints arising in the ordinary course of its business, the affiliated entity believes that the results of the actions or complaints will not have a material adverse effect on its financial condition, results of operations or cash flows for any particular period, depending in part on the operating results for that period.



PHILADELPHIA GAS WORKS

800 West Montgomery Avenue • Philadelphia, PA 19122

Docket No. A-2018-3001651 Data Request #1
Attachment #4

April 27, 2018

Ms. Adrienne Kalbacher
Phoenix Fuel Management Company
Contracts Manager
1415 Wyckoff Road
P.O. Box 1464
Wall, NJ 07719
Email: ahkalbacher@njresources.com

Re: Security Requirement for Phoenix Fuel Management Company

Dear Ms. Kalbacher:

Philadelphia Gas Works ("PGW") is aware that Phoenix Fuel Management Company has filed an application with the Pennsylvania Public Utility Commission to supply natural gas services to the public in Pennsylvania and specifically within the services territory of Philadelphia Gas Works. You have stated that, in performing these services, Phoenix Fuel Management Company will take title to any delivered natural gas.

Under its tariff, Philadelphia Gas Works could require Phoenix Fuel Management Company to provide a bond or other financial security instrument in an amount that Philadelphia Gas Works determines to be appropriate. Upon final approval of your application to PGW and prior to enrolling customers, security in the first year for firm pools will be required based on your estimated firm pool size. It will be updated annually based on actual firm pool size.

At this time, Phoenix Fuel Management Company does not need to post a bond or other form of security.

If you have any questions concerning the foregoing, please contact me at 215-684-6725.

Sincerely,

A handwritten signature in black ink that reads 'J.C. ZUK'.

JOHN C. ZUK
Vice President, Gas Supply

NL/dls



May 3, 2018

Phoenix Fuel Management Company
1415 Wyckoff Road
Wall, NJ 07719

Attention: Adrienne Kahlbacher

RE: Phoenix Fuel Management Company

Dear Adrienne,

Pursuant to 66 Pa. C. S. § 2208 (c), an applicant for a natural gas supplier license in the Commonwealth of Pennsylvania must furnish security to each utility where the supplier will do business to ensure the financial responsibility of such natural gas supplier. To this end, National Fuel Gas Distribution Corporation (“National Fuel”) will perform a credit review and analysis of Phoenix Fuel Management Company (“PFM”) and determine at the appropriate time whether PFM must post a security deposit acceptable to National Fuel in order to operate as a supplier on National Fuel’s system.

PFM’s security requirement to serve Pennsylvania customers is dependent on the type of transportation service utilized by PFM. There is no Natural Gas Supplier (NGS) security requirement for customers that will be enrolled in National Fuel’s Purchase of Receivable (POR) program. As such, PFM will not be required to post security for customers enrolled in the POR program. A security deposit will be required for transportation customers not enrolled in the POR program.

Should you have any questions concerning the above, please contact me at 716-857-7541.

Yours truly,

Nicole Baier
Transportation Services Department



1415 Wyckoff Road
Wall, NJ 07719
(302) 455-9282 (phone)
(732) 919-8118 (fax)

May 15, 2018

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

Re: Docket No. A-2018-3001651
Utility Code: 1220962
Data Request #1

Dear Secretary Chiavetta:

New Jersey Resources Corporation's ("NJR") subsidiary, Phoenix Fuel Management Company ("PFMC"), has applied for a license for approval to supply natural gas to the public in the Commonwealth of Pennsylvania. NJR agrees to assume financial responsibility for PFMC in connection with PFMC's application.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Kent', is written over a light blue circular stamp.

James W. Kent
Treasurer
New Jersey Resources Corporation

Docket No. A-2018-3001651 Data
Request #1

Attachment #7

NEW JERSEY RESOURCES CORPORATION

CODE OF CONDUCT

Revised: May 10, 2017

Letter to our Directors, Officers, Employees and Agents

The policy of New Jersey Resources Corporation and its subsidiaries (the "Company") has been and continues to be, that as directors, officers, employees and agents (i.e., someone authorized to act on the Company's behalf hereafter "Company Representatives"), we will comply with all applicable laws and regulations and adhere to the highest ethical standards in the conduct of our business.


This Code of Conduct is provided to remind us of the importance of the way we conduct our daily business. It sets forth the Company's views with regard to obeying all laws and being a good and ethical corporate citizen. Although these guidelines cannot address every circumstance we may encounter, they underscore the basic principles which must guide all our activities: good judgment, personal honesty and sound business ethics.

The Company depends on a high level of public confidence for its success. Public confidence can be sustained only if we continue to observe the highest standards of ethical behavior in the performance of our duties.

If anyone has questions about how these guidelines apply to a specific factual situation, ask for an opinion from our General Counsel and Chief Compliance Officer at 732-919-8039, Headquarters building, or contact me directly.

You may be concerned about what may happen if you report that another, director, officer, employee or an agent is involved in something that could be irregular or illegal. I want to personally assure each of you that anyone who reports any violations of this Code of Conduct will not be punished or retaliated against in any way.

Sincerely,



*Laurence M. Downes
Chairman and Chief Executive Officer*

CODE OF CONDUCT

POLICY

The directors and officers of the New Jersey Resources Corporation and its subsidiaries and affiliates (collectively, the "Company") firmly believe that fair, lawful and ethical business practices are a fundamental part of business conduct. Further, the very nature of our business imposes special obligations that build a public trust. Through the Code of Conduct, the Company is firmly committed to conducting business in a professional manner that clearly satisfies all moral and legal business obligations.

The Code of Conduct applies to all directors, officers, employees, temporary employees and agents of the Company (collectively referred to as "Company Representative(s)" or "Representative(s).") Under this Code of Conduct, the actions of all Company Representatives shall be governed by the highest standards of integrity and fairness. Strict compliance with all applicable laws and regulations is the policy of the Company, and all decisions shall be made to honor the spirit and letter of all such laws and regulations. Business shall be conducted honestly and ethically to effectively use the technical expertise, business skills and sound judgments needed to benefit customers and shareholders alike.

Our Company is an integral part of the many communities we serve. This is a corporate philosophy that encourages each of us, to the extent possible, to take an active and responsible part in public affairs that enhance the social and economic health of these communities.

Any legal questions about the matters discussed in this booklet should be addressed to our General Counsel and Chief Compliance Officer, whose telephone number is (732) 919-8039 and whose address is the Headquarters Building, Wall, New Jersey. If you believe that someone in the Company is or may be involved in any activity that violates applicable laws or regulations or any other part of this Code of Conduct, you should report it to the Company in good faith and in accordance with the section of this Code entitled "Procedure." Such reports will not result in retaliation against you. New Jersey law specifically prohibits an employer from taking any retaliatory action against an employee who, among other things, reports that he or she reasonably believes the employer is acting in violation of a law, a rule or regulation. See the notice, in English and Spanish, regarding the New Jersey Conscientious Employee Protection Act ("CEPA"), annexed here as Attachment "A."

Failure to adhere to this Code of Conduct will result in disciplinary action, up to and including termination of employment. These policies will be consistently and strictly applied, and will include disciplinary action against any foreman or supervisory personnel for negligent failure to detect an offense in his or her area of responsibility.

Employees can view copies of specific policies and procedures referenced herein online at <http://insidenjr/policyprocedure/Pages/default.aspx>.

PROCEDURE

This Code of Conduct is your guide for how to conduct your day-to-day business activities. It sets the standard pursuant to which all Company business and operations shall be conducted. For the most part, it sets forth a number of common-sense policy guidelines to help us meet our moral and legal obligations to be responsible Company Representatives and good corporate citizens. Call it an "honor system" if you like. Just remember, it's all about honesty, fair play, integrity and good judgment.

Every Company Representative is expected to observe and follow the policy guidelines in this Code of Conduct. Copies are distributed annually to all existing Company Representatives and to new Company Representatives when they begin their employment with the Company.

When any Company Representative is in a situation that may involve or lead to a violation of this Code, or knows of or suspects that another Representative (or a vendor, agent or independent contractor of the Company) is engaged in unlawful, unethical, dishonest conduct or conduct that otherwise violates this Code of Conduct, that person is obligated to take immediate action. Specifically, the Representative shall promptly report this conduct orally or in writing. Generally, such a report should be made or sent to the Representative's immediate supervisor. If this is not practical, reports may be made to any of the following: the Manager, Employee Relations; the Senior Vice President and Chief Human Resources Officer; the General Counsel and Chief Compliance Officer or any attorney in the Legal Department. Thereafter, an investigation will be conducted of the allegations contained in the report in accordance with Legal Procedure 1. . If and when appropriate, a report to the proper authorities of any illegal conduct shall be promptly made by the Board of Directors of the Company or by management after notification to the Board.

Confidential and anonymous mechanisms for reporting concerns are available and are described in this Code. However, anonymous reporting does not serve to satisfy a duty to disclose a Company Representative's own involvement in a conflict of interest or in unethical or illegal conduct.

Failure to cooperate in an investigation, including making false statements in the course of the investigation, shall be a basis for discipline up to and including termination.

Additionally, the Internal Auditing Department (or an outside consultant selected by the Compliance Staff) shall conduct on-site inspections of Company facilities to monitor and audit systems, records and activities. You may also make good faith reports of suspected irregularities or illegalities directly to the non-management members of the Board of Directors of the Company by contacting EthicsPoint, Inc., our independent third-party vendor, at 1-866-384-4277, or you may send an e-mail to ethicspoint.com. See also Communicating with Non-Management Directors for a description of the process.¹ The procedure that explains how a Code of Conduct investigation is handled may also be viewed online.²

¹ A copy of this procedure is available at <http://investor.njresources.com/documentdisplay.cfm?DocumentID=1153>

² A copy of Legal Procedure 1 is available at: <http://investor.njresources.com/static-files/9b93a32e-644f-4bee-aff0-1d73eb4814f5>

CODE OF CONDUCT ANNUAL REVIEW STATEMENTS

On an annual basis, the General Counsel's Office sends a copy of the Code of Conduct and the Code of Conduct Annual Review Statement to all directors and officers of the Company, together with the Annual Directors' and Officers' Questionnaire. All employees receive a copy of the Code of Conduct and the Annual Review Statement prior to the annual Code of Conduct training sessions. The statement serves as a confirmation by the directors, officers and non-bargaining unit employees that each is aware of, understands and continues to comply with the Code of Conduct. Bargaining unit employees acknowledge receipt of the Code of Conduct in their Annual Review Statement.

The Annual Code of Conduct Review Statement must be signed by all Company Representatives and returned to the General Counsel's Office. Each signed Annual Review Statement is maintained on file. Text for the Annual Review Statements appears below:

Code of Conduct Annual Review Statement by Non-Union Representatives

I certify that I have received, read and understand the Company Code of Conduct. I agree that I will abide by the Code of Conduct, and understand that failure to comply can lead to disciplinary action up to and including termination of employment.

Signed _____ Title _____

Print _____ Name _____

Date (mm/dd/yy) _____

Employee # _____

Code of Conduct Annual Review Statement by Bargaining Unit Representatives

I acknowledge that I have received the Company Code of Conduct.

Signed _____ Title _____

Print _____ Name _____

Date (mm/dd/yy) _____

Employee # _____

POLICY GUIDELINES

When combined with all laws and regulations applicable to the Company, the following Policy Guidelines comprise the Code of Conduct applicable to all Company Representatives. Each is equally important to the manner in which day-to-day business activities are expected to be handled.

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*** The Code of Conduct does not include all of the Company's policies, procedures and practices.**

Accurate Books and Records and Financial Disclosure

A company's credibility is judged in many ways. One very important way is the integrity of its books, records and accounting. The Company is committed to providing shareholders with full and fair disclosure about the Company's financial condition and results of operations. We do this by providing the public and regulators with accurate, timely and understandable information. As a publicly traded company subject to the Securities Exchange Act of 1934, the Company has an obligation to file and furnish various reports and documents with the Securities and Exchange Commission and the New York Stock Exchange (“NYSE”) and generally to make public material information about the Company. In meeting this commitment, the Company is required by securities laws to report financial information in accordance with generally accepted accounting principles and to maintain books and records that accurately and fairly reflect all transactions. The Sarbanes-Oxley Act specifically requires the Company to devise systems of internal control sufficient to provide reasonable assurance that corporate books and records fairly reflect, in some detail, business transactions, and dispositions or acquisitions of assets. Established SOX controls shall not be overridden or skipped.

This obligation includes more than financial information. Every employee of the Company must help ensure that reporting of any business information of whatever kind (financial or otherwise) and in whatever form (computerized, paper or otherwise) is accurate, complete and timely. This requires, among other things, accurately recording costs, sales, shipments, time sheets, vouchers, bills, payroll and benefits records, expense accounts, regulatory data and other essential Company information. No employee should say or write anything about our transactions that would facilitate a vendor, customer or supplier preparing a false or misleading financial statement.

Employees, officers and directors, or any other person acting under the direction thereof, are prohibited from directly or indirectly taking any action to fraudulently influence, coerce, manipulate or mislead our independent registered public accounting firm for the purpose of rendering our financial statements misleading.

All employees of the Company must:

- Follow all laws, external accounting requirements and Company procedures for reporting financial and other business information.
- Never deliberately make a false or misleading entry in a report or record.
- Never establish an unrecorded fund for any purpose.
- Never alter or destroy Company records except as authorized by established policies and procedures.
- Never sell, transfer or dispose of Company assets without proper documentation and authorization.
- Cooperate with our internal and external auditors.

- Contact the accounting or internal auditing departments with any questions about the proper recording of financial transactions.

Senior financial officers and other managers responsible for accurate books and records, and accounting and disclosure of financial information have a special duty to ensure that these standards are met.

Any effort to mislead or coerce the independent auditors or a member of the Internal Audit Department on issues related to audit, accounting or financial disclosure has serious legal consequences for the perpetrator and for the Company, and is strictly prohibited.

If you wish to raise concerns about accounting or auditing matters on an anonymous basis, call our third-party vendor, **EthicsPoint** at 1-866-384-4277, or send an e-mail to ethicspoint.com. Confidentiality will be maintained to the extent possible, given the Company's need to investigate and resolve the issue raised and comply with the law.

Anyone in a supervisory position is specifically required to report matters of this type to the General Counsel and Chief Compliance Officer, the Chief Financial Officer or CEO. In addition to reporting these types of concerns to members of the Compliance Staff, you may also contact the Audit Committee of the Board of Directors directly and anonymously. Please see Corporate Governance Procedure No. 1: "Reporting Complaints on Accounting, Internal Accounting Controls and Auditing Matters³."

Litigation and Investigations

You should consult immediately with the Legal Department if you receive, as a Company Representative, any summons, subpoena, inquiry, or other communication from a court, police officer, FBI or other government agent, regulatory agency, or any lawyer regarding the Company or any director, employee, supplier, contractor, vendor, business partner, customer or competitor. Always contact the Legal Department before producing any documents, submitting to an interview, answering questions or responding to any request regarding litigation or a government investigation.

Affiliate Standards

The Company is committed to strict compliance with the Affiliate Relations, Fair Competition and Accounting Standards and Related Reporting Requirements (the "Affiliate Rules"), which are designed to promote vigorous and fair competition.⁴ The Company has developed internal guidelines and procedures entitled "Fair Competition Guidelines," to ensure that all employees have a clear understanding of the Affiliate Rules.⁵ A copy of the Company's biannual update of these guidelines is distributed to each employee. As with all Company policies, compliance with these guidelines is mandatory.

³ A copy of this procedure is available at <http://investor.njresources.com/documentdisplay.cfm?DocumentID=5727>

⁴ A copy of the 2011 Affiliate Standards Compliance Plan is available at <http://investor.njresources.com/static-files/3e8cd0c2-d8dc-429f-b0a0-f5764fdc2433>

⁵ The Fair Competition Guidelines are attached to the 2011 Affiliate Standards Compliance Plan at Exhibit B.

Alcohol Possession and Consumption and Illegal Drug Use

The Company is committed to the health and safety of its Company Representatives and the customers we serve. This commitment includes compliance with all federal, state and local laws, regulations, rules and guidelines regarding alcohol possession and consumption and drug abuse, and the requirement that each of us be able to safely perform our jobs. As a practical matter, this means that employees should not consume alcohol or take illegal drugs before reporting to work or during the workday. Illegal drugs and alcohol are not permitted on Company premises, including parking areas and Company vehicles. Employees shall not report for work—whether on call-out or for a scheduled assignment—under the influence of either alcohol or illegal drugs. Employees reporting to work must be fit-for-duty. Alcohol may be transported by Company vehicle to, and may be consumed in moderation at Company sponsored and approved functions, but only when specifically authorized by a Company officer.

In accordance with state and federal laws and regulations, including the Drug Free Workplace Act of 1988, we prohibit the unlawful manufacture, distribution, dispensation, possession solicitation, transfer, purchase, sale or use of illegal drugs and controlled substances while on Company time, property, or while conducting Company business.

Anyone taking prescribed medication that may affect their ability to perform their jobs should notify the Manager, Employee and Labor Relations at extension 8127.

Company Representatives who test positive for alcohol or illegal drugs in violation of the Company's policies may be terminated.

The Company alcohol and drug policy is available online.⁶

Antitrust Laws

The Company policy is to comply fully with both the letter and spirit of all federal and state antitrust laws. The basic premise behind these laws is that all companies should compete with each other based on price and quality for the benefit of consumers. The antitrust laws are complicated but we have attached Antitrust Compliance Guidelines as Attachment "B" to this Code of Conduct that explains in a straightforward manner the Company's policy regarding compliance with the Antitrust Laws. More specific information is available and provided for those Company Representatives in certain marketing, gas sales and customer service areas of the Company. If you have any questions about this issue, please contact the General Counsel and Chief Compliance Officer.

Bribes and Kickbacks

Certain laws make it a crime for companies, and/or their directors, officers, employees and agents to bribe a foreign or domestic government official, political party, party official, or candidate for the purpose of obtaining or retaining business. You are forbidden to offer or give anything of value to a government official for the purpose of obtaining or retaining business or for any

⁶ A copy of Administrative Procedure 55 DOT Drug and Alcohol Control Program is available at <http://investor.njresources.com/static-files/183a5b49-06c0-4355-9a35-bb35ba114a4e>
See also Article 27 of the Collective Bargaining Agreements.

improper purpose. You are further prohibited from making improper payments through third parties — so you should be diligent in selecting agents and partners.

You should never do any of the following:

- Make an unauthorized payment or authorize an improper payment or give (cash or otherwise) — directly or through an agent — to a government official;
- Induce a government official to do something illegal;
- Ignore or fail to report any indication of improper payments, gifts or entertainment;
- Establish an unrecorded fund for any purpose;
- Make a false or misleading entry in Company books; or
- Do anything to induce someone else to violate these rules, or look the other way when there might be a violation.

Under the Foreign Corrupt Practices Act, it is illegal for the Company, its subsidiaries and persons working for or on behalf of the Company to offer, pay, give, promise or authorize the payment of any money or of anything of value, directly or indirectly, to any official of a foreign government or a foreign political party for the purpose of obtaining or retaining business or to secure an improper advantage. Any question as to whether a gift or payment would be considered improper under the Company's Code of Conduct or the Foreign Corrupt Practices Act must be discussed with, and approved by, the General Counsel prior to giving the gift or making the payment.

Company Accounts of Employees, Relatives and Others

Company employees shall not make changes, including payment arrangements on gas accounts, to their own Company accounts or to the Company accounts of anyone they know without supervisor approval. When a change is approved by a supervisor, the details regarding the change, the date that the change was authorized and made and the supervisor's name must be documented in writing and entered on the account by the approving supervisor. Employees contacting the Company to request changes to their Company accounts must identify themselves as employees. Compliance with this Policy will ensure that employees, their relatives and friends do not receive preferential treatment from the Company.

The term "account(s)" means any business account with the Company or the Company's agent(s) (i.e., transfer agent or bank) related to the Company's provision or receipt of products or services or the individual's employment relationship with the Company. Accounts include any J.D. Edwards Enterprise System records such as: CIS, Accounts Payable and Receivable, Payroll, Purchasing and Personnel.

Payment arrangements for the utility bills of an employee must be made with the Supervisor of Credit & Collections or the Manager of Customer Services — Revenue Cycle in accordance with Company policies and procedures. Relatives and friends of employees must make payment arrangements in the same manner as unrelated customers.

Confidential Information

All Company Representatives must appropriately safeguard the Company's trade secrets and confidential or proprietary information ("confidential information") and refuse any improper access to confidential information of any other company, including our competitors.

Confidential information is any information, which at the time it is known, is not generally available to the public and which is useful or helpful to the Company and/or which would be useful or helpful to competitors of the Company, or which would influence a person's decision to buy or sell securities. Confidential information can include customer, employee, stockholder, supplier, financial or operational information; plans for stock splits, business acquisitions and mergers; litigation involving the Company; an important pending regulatory action; or non-public information about Company employees (including information regarding terms or conditions of employment or from personnel files).

Any Company confidential information to which we may have access should be discussed with others within the Company only on a need-to-know basis.

If we wish to disclose our own confidential information to anyone outside of our Company, it should be done only in conjunction with appropriate confidential information disclosure agreements that must be provided by the Company's legal department.

We should always be alert to inadvertent disclosures that may arise either in social conversations or in normal business relations with our suppliers and customers.

In addition, various federal and state laws govern the privacy and regulate the collection and use of personal data, which, generally speaking, is any information that directly or indirectly identifies a natural person. Examples of personal data include Social Security numbers; bank account or credit card account numbers; and medical or financial information. All employees are responsible for ensuring compliance with the data privacy requirements applicable to the information they receive in connection with their job functions.

We should always exercise great care in handling customer information. You may not divulge, use or make information about the Company's customers available to anyone outside the Company unless the customer requests it, the customer's legally authorized representative requests it, or it is being provided pursuant to a clear legal requirement. If you have any doubt about whether you can release customer information, contact your supervisor or the Legal Department for advice before releasing the information.

Conflicts of Interest

A "conflict of interest" occurs when an individual's private interest interferes in any way—or even appears to interfere—with the interests of the Company as a whole. A conflict situation can arise when a Company Representative takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest also arise when a Company Representative, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, such persons are of special concern.

No Company Representative shall pursue or engage in any outside employment, business or other commercial activity that conflicts or competes directly or indirectly with his or her duties or responsibilities as a Company Representative, or with any business interests or activities of the Company. Engaging in activities that benefit family members or friends is also prohibited. This policy applies to prohibited activities conducted before, during and after work.

We cannot illustrate every situation that may be considered a conflict of interest; however, we do expect each Company Representative to carefully consider if any of your actions during or outside of Company hours rise to the level of a conflict of interest. Even the appearance of a conflict of interest must be avoided.

Directors, officers, non-bargaining unit employees who report directly to officers and buyers in the Purchasing Department of the Company have an affirmative obligation to disclose to the Compliance Officer any interest, including but not limited to a financial interest, in any outside activities or business that may conflict or compete with those of the Company. This affirmative disclosure obligation extends to the immediate family member(s) of an officer or director.

At no time during Company working hours or on Company property shall any Company Representative engage in or pursue any non-company employment, business or commercial activity, or solicit Company customers or Company Representatives for any profit-making purpose, nor shall any Company Representative make use of any Company vehicles, telephones, tools, equipment, information or other facilities at any time for any such purpose.

No vendor or consultant shall be retained to perform services for any business unit where a Company Representative in that business unit is related to, lives with or is in a relationship with the consultant or vendor, without the express permission of the CEO. Any such existing relationships must be immediately disclosed to the Chief Compliance Officer.

Unless specifically approved by an officer of the Company, vendors or consultants may only be contacted for purposes for which the vendor or consultant was retained.

We urge you to contact the General Counsel and Chief Compliance Officer with any questions or concerns regarding any activities you may be considering or are already engaged in to ensure your compliance with this and all other requirements of this Code of Conduct.

Intellectual Property

The Company owns all Company-related new developments or inventions developed by you during your employment. These include inventions of any type or kind, new processes, new designs, improvements of existing inventions or designs, or other useful ideas, including but not limited to computer systems design and software and engineering designs or processes. Any new development or invention that occurs as a result of, arises out of, or otherwise relates to your work for the Company is considered a Company-related new development or invention.

If you conceive of a new development or invention, you must promptly and fully disclose the details to your supervisor or the Legal Department. If you do not believe the new development or invention was Company-related, you must still disclose the development or invention and allow the Company to make the determination on applicability. You must inform the Company if you file a patent application, or have one filed on your behalf, and you must keep the Company informed about any licenses or agreements relating to such new developments and inventions.

The Company's brands, logos and trademarks are very important assets. To protect these assets, they must be used consistently and solely for the benefit and purposes of the Company. Please check with the General Counsel and Chief Compliance Officer if you have any questions.

Additionally, the Company purchases computer software and periodicals, magazines, books, journals and other published materials (hereafter called "Publications"), either electronically or in hard copy, that are considered necessary for the efficient, successful operation of the Company; however, the reproduction of any of these Publications may be a violation of copyright laws. The use and/or duplication of any Publications purchased by, through and on behalf of the Company must be in accordance with the law and Company policies and procedures.

Using Company property, including equipment or accounts, to download music or other copyrighted material from the internet is prohibited unless it serves a legitimate business purpose and the Representative receives prior authorization from his or her supervisor. Anyone obtaining electronic information must respect all copyrights and may not copy, retrieve, modify, download, or forward such materials except as permitted by the copyright owner.

Dealing with News Media

Only Company personnel assigned to communicate with the news media should do so. Any inquiries by the media, when possible, must be referred to the Director of Corporate Communications at extension 1031. All inquiries in the field, when a representative from the Corporate Communications Department is unavailable, must be referred to an officer or manager on the scene. Any discussion with respect to litigation, regulatory matters or other sensitive matters should be conducted only by persons authorized to do so.

Environmental Policy

The Company has an environmental credo that recognizes an individual and corporate commitment to be environmentally responsible. We are committed to conducting our business in such a manner as to avoid or minimize any potential adverse effect on the environment and to comply with all federal and state environmental laws and regulations. This includes providing accurate and truthful information in connection with applying for environmental permits from the government and promptly reporting or disclosing any incidents or violations. Examples of violations include improper disposal of hazardous or contaminated materials and improper storage or containment of products that become hazardous waste if they are leaked or spilled. The environmental laws and regulations are strictly enforced by many states, including New Jersey, and the Company could be strictly liable for violations. The Company's Office of Environmental Services ("ES") has an established communication procedure for legally required notifications. Each employee is responsible for immediately reporting any environmental spill or discharge to ES. Employees should not assume that they can clean up an environmental spill or discharge on their own.

Our commitment is also evident in our support of the Environmental Committee, which is composed of dedicated employees who volunteer their time to raise our awareness of and involvement in programs to improve our environment.

A copy of the Environmental Policy is available on the Company's website at <http://www.njresources.com/community/environment/environmental-policy.asp>

Equal Employment Opportunity

General Policy on Equal Employment Opportunity

The Company is committed to ensuring equal employment opportunity. All employment decisions, policies and practices are in accordance with applicable federal, state and local anti-discrimination laws.

The Company will not engage in or tolerate unlawful discrimination (including any form of unlawful harassment or retaliation) on account of a person's sex/gender, pregnancy, age, race, color, religion, creed, sexual or affectional orientation, genetic information (including the refusal to submit to genetic testing), atypical heredity cellular or blood trait, marital status, national origin, nationality, ancestry, immigrant status, citizenship, military status, liability for military service, veteran status, disability (including perceived disability), AIDS or HIV status, gender identity or expression, domestic partner status, civil union status or membership in any other protected group.

For example, and by way of illustration only, the Company will not unlawfully consider an individual's membership in any protected group as defined above with regard to: interviewing, hiring, compensation, benefits, training, assignments, evaluations, coaching, promotions, discipline, discharge and layoffs.

Moreover, our Company makes affirmative, good faith efforts to recruit and employ applicants and advance employees in accordance with our Affirmative Action Plans.

The Company's policy on equal employment opportunity supports and is consistent with the Company's commitment to enhancing diversity and inclusiveness. Diversity means not only membership in the various "protected groups" identified above, but also diversity in experience, perspective, ideas, style and contacts. We believe that we are much stronger as a Company as a result of the richness of our diversity and strive to ensure that we have policies and practices that are respectful and promote inclusion of diversity.

This entire Policy applies to all of the Company's officers, managers, supervisors, employees and applicants. All such individuals are both protected under and restricted by this entire Policy. You are protected in terms of your right to have a working environment free from unlawful discrimination, harassment and retaliation and other inappropriate conduct as described in this Policy. You are restricted in terms of your being prohibited from engaging in unlawful discrimination, harassment and retaliation and other inappropriate conduct as described in this Policy.

In this policy, we include specific examples of inappropriate conduct. It is not our intent to make anyone uncomfortable. To the contrary, we provide specific examples to help avoid confusion on whether something is appropriate. If you have any question as to whether something may be inappropriate, don't do it.

Policy Prohibiting Sexual Harassment

Sexual harassment is a form of sex discrimination. Consistent with the foregoing, the following behaviors are prohibited, whether by a man or a woman and whether directed at a man or a woman:

- To threaten or insinuate, expressly or implicitly, that any person is required to submit to sexual advances or to provide sexual favors as a condition of employment, continued employment or any term, condition or benefit of employment, or that a person's refusal to submit to sexual advances or to provide sexual favors will affect adversely the person's employment, continued employment or any term, condition or benefit of employment.
- To make any employment decision or take any employment action based on a person's submission to or refusal to submit to sexual advances.
- To engage in unwelcome sexually-oriented or otherwise hostile conduct which has the purpose or effect of interfering unreasonably with another person's work performance or of creating an intimidating, hostile, abusive or offensive working environment.

The following are some examples of inappropriate behaviors, communications, etc. As such, they are prohibited, regardless of whether they are illegal:

- Linking/conditioning any employment decision, benefits, etc. to a subordinate's submission or refusal to submit to sexual advances;
- Demands or requests for sex;
- Requesting a date from someone after the recipient of the request already has said "No" to a prior request;
- Providing preferential treatment to someone with whom the employee is having a sexual or romantic relationship;
- Sexual assault;
- Unwelcome and/or inappropriate physical contact, such as patting, pinching or brushing against another person's body;
- Sexual bantering, "jokes" and "teasing";
- Sexual, suggestive or biased "jokes";
- Gender biased or stereotypic comments or other communications;
- Sexual flirtations, advances or propositions;
- Verbal abuse of a sexual nature;
- Verbal commentaries about an individual's body, sexuality, or sexual orientation;
- Sexually-degrading words used to describe individuals;
- Making disparaging, stereotyping or other inappropriate comments about "pregnancy";
- Discussions of, or questions about, sexual desires, fantasies, experiences, frustrations, etc.;
- Pornographic or obscene materials or other communications of any kind;
- Sexually-explicit or sexually-suggestive objects, cartoons, software, photos, pictures, etc.;
- Sexually-oriented or degrading gestures;
- Verbal or nonverbal innuendo of a sexual, suggestive or biased nature;
- Other non-verbal communications of a sexual or suggestive nature, such as leers and gawks;
- Obscene, off-color or otherwise hostile language of a sexual, suggestive or biased nature;
- Referring to employees of either gender in pejorative, negative or demeaning terms;
- Any other behavior of a hostile or abusive nature directed at one sex, even if not sexual in nature; and
- Any other inappropriate behavior of the kind or similar to that referred to here or elsewhere in this policy.

It is important to remember that these prohibitions apply not only to oral and written communications, but also to e-mail, voice mail, internet communications and searches, text messages, and other technology-assisted communications

These prohibitions may also extend to postings on personal blogs and other forms of social networking if they are seen by or if they contain messages about your colleagues or others with whom you work or to whom we provide products or services.

The prohibitions on inappropriate behavior set forth above apply not only in the workplace itself, but also to all other work-related settings, such as meetings at customer work sites, as well as business trips and business-related social functions.

It is of no defense to inappropriate behavior that there was no bad intent, that it was only a “joke,” or that it was not directed at any particular person.

Harassment on Account of/with Regard to Any Protected Group

Harassment based on an individual’s membership in any protected group (for example, race, color, gender, sexual orientation, age, religion, national origin, or marital status) is equally prohibited and will not be tolerated.

The following are some examples of inappropriate behaviors, communications, etc. As such, they are prohibited, regardless of whether they are illegal:

- Derogatory comments about an individual’s membership in any protected group; for example, the “old guy” or “the mommies”;
- Displays of cartoons, calendars, computer software, pictures, etc. which are degrading to or reflect negatively upon any protected group, for example, cartoons that make fun of the Pope;
- Jokes, comments or stories that stereotype, are demeaning or make fun of any protected group, for example, racial “jokes”, Polish “jokes” or gay “jokes”;
- Slurs to describe any protected group, for example, the “N” word or the “C” word;
- Nicknames which relate to a person’s membership in any protected group, for example, “r_head” for someone from the Middle East;
- Verbal or non-verbal innuendo which relates to or reflects negatively upon any protected group, for example, mimicking a disabled employee’s walk or an immigrant’s or foreign national’s accent;
- Hate symbols or other symbols which suggest the inferiority of any group, for example, “noose” or a “swastika”;
- Inappropriate questions or comments about an employee’s religious or ethnic attire, such as, “why do you wear that as opposed to “normal” clothes”;
- Inappropriate questions or comments about an employee’s sexual orientation or gender identity, such as “do you think he is gay?”;
- Hostile, abusive or demeaning behavior, including threats, directed at an employee because of his or her membership in any protected group, even if not racial, ethnic, religious etc. in nature;
- Stereotypic or biased comments or slurs about any protected group, for example, “pregnant employees are.....”;
- Comments about someone not meeting stereotypic assumptions, such as “you don’t look Jewish”;

- Racist, sexist or other hate-based graffiti; and
- Any other inappropriate behavior of the kind or similar to that referred to here or elsewhere in this policy.

It is important to remember that these prohibitions apply not only to oral and written communications, but also to e-mail, voice mail, internet communications and searches, and other technology-assisted communications.

The prohibitions on inappropriate behavior set forth above apply not only in the workplace itself, but also to all other work-related settings, such as meetings at customer work sites, as well as business trips and business-related social functions.

These prohibitions may also extend to postings on personal blogs and other forms of social networking if they are seen by or if they contain messages about your colleagues or others with whom you work or to whom we provide products or services.

It is of no defense to inappropriate behavior that there was no bad intent, that it was only a “joke” or that it was not directed at any particular person.

Consensual Relationships

To ensure an environment appropriate for effective business operations and to avoid actual, potential or perceived favoritism, the Company has a policy that prohibits supervisors, managers and officers from having, or seeking to establish, certain “intimate relationships.”

The term intimate relationship, for purposes of this Policy, includes any romantic and/or sexual relationship. The term includes romantic and/or sexual relationships, regardless of marital status, domestic partner status or civil union status. Intimate relationships do not include purely platonic social friendships.

Officers of the Company are prohibited from having, or seeking to establish, an intimate relationship with any employee of the Company.

Supervisors and managers are prohibited from having, or seeking to establish, an intimate relationship with any employee whom they directly supervise or who is in his or her “chain of command,” even if they do not directly supervise them.

An officer, manager or supervisor must contact the Human Resources Department, Manager, Employee and Labor Relations at (732) 919-8127 immediately if he or she currently has an intimate relationship in violation of this Policy.

A supervisor or manager will be subject to immediate discharge if he or she fails to notify as required by this Policy.

Where an intimate relationship exists or develops in violation of this Policy, the Company will make reasonable efforts to transfer one of the two employees, subject to existing business and other appropriate considerations. Where the Company concludes that a transfer of one of the employees is not practical for business or other reasons, the employees will be offered the opportunity for one of them to discontinue his or her employment voluntarily. However, the Company retains the right to make the final decision as to which employee’s employment shall terminate.

With regard to intimate relationships that are not prohibited by this policy, the following guidelines apply:

If you ask an employee or non-employee with whom you come into contact in the course of your employment for a date and the person says “no,” you cannot ask him or her again. Nor can you retaliate against him or her in any way. If you ask again or retaliate in any way, you will be subject to severe disciplinary action, up to and including the termination of your employment.

Conversely, if an employee or non-employee with whom you come into contact in the course of your employment asks you out on a date, while you have a right to say “yes,” you also have an absolute right to say “no.” If you let us know there’s a problem, we can help! In the absence of a complaint pursuant to the procedure that follows, the Company will assume that any relationship is entirely consensual and welcome.

Please remember, in all instances, if you feel any unwelcome pressure to become involved with any officer, manager, supervisor, employee, agent or non-employee with whom you come into contact in the course of your employment with the Company, we urge you to use the complaint procedure set forth below.

Also, there may be times when an intimate relationship exists that does not violate this policy but with respect to which one employee may make discretionary decisions that could affect the other employee. In these circumstances, the person with the decision-making authority must check with the Chief Compliance Officer before making any discretionary decisions specific to the other employee. If you have any doubt about whether you need to consult with the Chief Compliance Officer, play it safe and consult.

One final note: certain professional activities, such as sharing a meal or engaging in mentoring, may have a personal component. We do not wish to discourage social interactions which can be an important part of professional development. However, even where there is a personal component, it is important to remember the professional nature of the relationship.

Reasonable Accommodation

When qualified individuals with physical or mental disabilities (including disabilities caused by, exacerbated by, or related to pregnancy or childbirth, including recovery from childbirth) or handicaps notify the Company of such disabilities or handicaps and request reasonable accommodations (such as a leave of absence) for such disabilities or handicaps, the Company will make reasonable accommodations on behalf of such individuals.

Similarly, when individuals notify the Company of pregnancy (including pregnancy, childbirth, or medical conditions related to pregnancy or childbirth, including recovery from childbirth) and request reasonable accommodations relating to same, the Company will make reasonable accommodations on behalf of such individuals, regardless of whether they are disabled.

Finally, when individuals notify the Company of sincerely held religious observances, practices and beliefs and request reasonable accommodations relating to same, the Company will make reasonable accommodations on behalf of such individuals.

Under each set of circumstances above, the Company will consider making reasonable accommodations where the Company is aware of the need for such accommodations. An individual does not have to use the words “reasonable accommodation” or “disability,” for

example, in order to make a request. Upon receiving a request for a reasonable accommodation, the Company will comply with its legal obligation to engage in an interactive process to make an individualized determination of whether a reasonable accommodation can be provided.

Under each of the circumstances above, no accommodation will be made if it imposes an undue hardship on the Company.

The Company will treat a medical condition or complication that is caused or exacerbated by pregnancy no differently from other medical conditions for the purpose of determining whether an individual is disabled, engaging in the interactive process, and evaluating whether an individual is entitled to a reasonable accommodation (e.g., leave of absence and/or time off).

If you believe you need an accommodation for any of the reasons set forth above, please contact the Company's Leave of Absence Administrator at (732) 938-6731.

Any employee who is not satisfied with any accommodation offered by the Company, or with the Company's denial of employee's request for a reasonable accommodation, may appeal such decision by using the appeals procedure in the complaint procedure below.

If you are an officer, manager, or supervisor and anyone requests an accommodation of you, you must report this by calling the Company's Human Resources Department.

Policy Prohibiting Retaliation

The Company will neither engage in nor tolerate unlawful retaliation of any kind against any person who makes a complaint of unlawful discrimination, harassment or retaliation, serves as a witness or otherwise participates in the investigatory process or against a person who is associated with any person who makes a complaint. Further, the Company will neither engage in nor tolerate unlawful retaliation of any kind against any person who requests an accommodation as set forth above.

Prohibited retaliation includes adverse tangible employment actions, such as denial of a raise or promotion. It also may include, in some circumstances, other material changes in the terms and conditions of employment, such as work assignments. Prohibited retaliation also may include adverse actions independent of the workplace, such as trying to exclude an employee from membership in an outside professional organization because of a complaint he or she made at work.

It is no defense to retaliation by any person (officer, manager, supervisor, etc.) that the complaint did not have legal merit. Generally speaking, so long as an individual acts in good faith in making a complaint alleging unlawful discrimination, harassment or retaliation, serving as a witness or otherwise participating in the investigatory process, no adverse action can be taken against him or her because he or she made the complaint, served as a witness or otherwise participated in the investigatory process.

Prohibited retaliation will be handled under this policy in the same manner and subject to disciplinary/corrective action to the same degree as any other violation of this policy.

Discrimination, Retaliation or Harassment by Non-employees

The prohibitions against unlawful discrimination, retaliation and harassment set forth in this Policy apply not only to the conduct of employees of our Company, but also to the conduct of non-employees (for example, customers, vendors, suppliers and contractors) with whom our employees come into contact in the course of their employment with our Company. Consequently, if you feel discriminated or retaliated against or harassed (sexually or otherwise) by a non-employee in the course of your employment with the Company, you should use the procedure set forth below. Conversely, the prohibitions against unlawful discrimination, harassment and retaliation set forth in this Policy apply to your conduct relative to non-employees (for example, customers, vendors, suppliers and contractors) with whom you come into contact in the course of your employment with the Company.

What to Do if You Feel You Have Been Subjected to Discrimination, Retaliation, Harassment or other Inappropriate Conduct or Denied an Accommodation

If you believe that you may have been, or anyone else may have been, unlawfully discriminated against, harassed or retaliated against, or subject to any inappropriate conduct prohibited by this policy (even if not unlawful), by any officer, manager, supervisor, co-worker, agent or non-employee in violation of this **Equal Employment Opportunity Policy**, you should report your concerns immediately to your supervisor or any of the persons listed on Attachment **D** or as set forth on the Company Intranet (“Intranet”) at:

<http://investor.njresources.com/static-files/3ec0c855-fd43-484b-883b-ca36128642cc>

You also should consult with one of the foregoing individuals if you believe that a reasonable accommodation that you requested was not made but should have been made. In all cases, please speak with whichever person you feel the most comfortable, whatever your reasons.

Similarly, if you have any question as to whether certain conduct is unlawful discrimination, retaliation or harassment, or whether an accommodation may be needed or possible you are encouraged to speak with any of the individuals identified above and in Attachment D.

All complaints will be investigated promptly, and the existence and nature of your complaint will be disclosed only to the extent necessary to make a prompt and thorough investigation or as may be necessary to take appropriate corrective measures. If an allegation is made against you and you are a bargaining unit employee, you ordinarily will have the right to have a union representative present when you are interviewed. The Company will neither engage in nor tolerate any form of unlawful retaliation as described above.

If you are an officer, manager, or supervisor and anyone complains to you that they believe that they or anyone else may have been subject to unlawful discrimination, harassment or retaliation, you must report this by calling the Chief Compliance Officer. You may neither keep the complaint confidential nor investigate the complaint on your own. If you are not sure whether you have a duty to report, play it safe and report.

Sanctions for Violations of NJR's Equal Employment Opportunity Policy

Any officer, manager, supervisor, employee, agent or non-employee who, after appropriate investigation, has been found to have engaged in unlawful discrimination, harassment or retaliation and/or inappropriate behavior inconsistent with this Policy (even if not unlawful) will be subject to appropriate disciplinary and/or corrective action, up to and including termination of his or her employment or other relationship with our Company.

Failure of an officer, manager or supervisor to make a report as required by this policy also may result in disciplinary and/or corrective action, up to and including termination of his or her employment.

Exempt and non-exempt employees who violate this policy also may be suspended without pay. Exempt employees will be suspended in full-day increments only.

Gambling

The Company prohibits most forms of gambling in the workplace, including professional or organized gambling activities. The Company may allow exceptions to this prohibition for office or department-sanctioned pools, lawful raffles, friendly wagers or Company-sponsored events supporting a charitable or fundraising cause. Employees must seek the written approval of the General Counsel or Chief Human Resources Officer prior to engaging in any gambling activities.

“Gambling” means staking or risking something of value upon the outcome of a contest of chance or a future contingent event not under the actor’s control or influence, upon an agreement or understanding that he or she will receive something of value in the event of a certain outcome.

Gifts, Meals and Entertainment

Socializing is a normal accepted component of conducting certain facets of the Company's business; however, Company Representatives must not permit this to compromise a business judgment or give even the appearance of impropriety. Gifts and other forms of special benefits to or from customers, suppliers or competitors of the Company may raise ethical and legal questions that could potentially embarrass or damage the Company. Therefore, it is each Company Representative's responsibility to ensure that their acceptance or conveyance of anything of value (including entertainment) is consistent with the following guidelines.

Some types of gifts and entertainment are always wrong, either in fact or in appearance, so that they are never permissible, including: (i) accepting or providing any gift or entertainment that would be illegal or result in any violation of law; (ii) accepting or giving any gift of cash or cash equivalent (such as loans, stock, stock options); (iii) accepting or requesting anything as a *quid pro quo* or as part of an agreement to do anything in return for the gift or entertainment; and (iv) hosting or participating in any entertainment that is unsavory, sexually oriented, or otherwise violates the Company's commitment to mutual respect.

Other gifts and entertainment, the primary purpose of which is to establish or maintain necessary business relationships, are usually acceptable as long as the acceptance or provision of such gifts or entertainment: (i) permits business or educational discussions; (ii) is pursuant to a *bona fide* business relationship; (iii) is generally consistent with industry practices; (iv) does not influence or is not perceived by others to influence business decisions; (v) is not of

excessive price or quantity; and (vi) would not embarrass the Company if it was brought to public attention. Examples of such gifts and entertainment include meals with business associates, attendance at ordinary sporting, theatre or other cultural events, golf or fishing outings, participation in customer meetings, and participation in other business events as a means of building necessary business relationships. However, notwithstanding the above, before any Company Representative accepts or provides one or more gifts or entertainment from or to a single source in any one fiscal year with a cumulative fair market value over \$250, the Company Representative must obtain written approval from an officer or director (or in the event that the Company Representative is an officer or director, must notify another officer or director). Furthermore, all Company Representatives must comply with all applicable Company business expense accounting and reimbursement requirements.

The Company may, consistent with this provision, ask customers or suppliers to make contributions to charitable or civic organizations provided they are not made in exchange for the Company's promise to do business with the customer or the supplier. Such voluntary contributions demonstrate our commitment to good corporate citizenship and are, therefore, appropriate and, indeed, encouraged.

Giving gifts to or entertaining employees of government and public organizations may be limited or restricted by law. All Company Representatives **must** seek review by the Chief Compliance Officer prior to giving gifts or anything of value (including entertainment) to any federal, state, county or municipal government official or employee, or to any official or employee of a foreign government, notwithstanding whether such gift or entertainment otherwise would be consistent with the above guidelines.

Questions about the appropriateness of a gift should be directed to the General Counsel and Chief Compliance Officer.

Government Transactions

The Company is committed to compliance with all applicable federal, state and local laws and regulations in conducting its business. Laws and regulations applicable to transactions with government entities impose special rules that are stringent. For example, it is a crime to knowingly make a false statement or representation to a federal government official or to submit false information in an application or statement given to a federal agency. Any inquiries from government officials regarding the Company's business activities should be reported to the General Counsel immediately. Any questions or concerns about actual or suspected violations should be reported to the General Counsel or the confidential EthicsPoint Hotline at 1-866-384-4277.

Memberships and Charitable Activities

As part of a long-term good neighbor commitment, the Company encourages Company Representatives' participation in community and professional organizations. However, these activities on Company time shall be limited to legal charitable entities and events authorized by the Director, Customer & Community Relations. Authorized charitable activities must be coordinated with your supervisor to ensure that they do not interfere with the performance of your work duties.

Before accepting any position with another company, or non-profit organization where you are representing New Jersey Resources or an affiliate of New Jersey Resources, Company Representatives must carefully consider the possibility that the position may be, or may appear to be, a conflict of interest.

To avoid any embarrassment to the individual, the Company or the organization involved, before becoming associated with same, Company Representatives should disclose their intentions, in writing, to the Chief Compliance Officer.

Safety

The Company is committed to providing all Company Representatives with safe and healthful working conditions in a workplace that is free from preventable hazards. We, therefore, comply with the Occupational Safety and Health Act and all other applicable federal and state laws setting safety standards for the workplace. All Company Representatives shall comply with Company accident reporting procedures, and use provided resources to eliminate the cause of workplace accidents and to control health hazard exposures. Please report any concerns you may have to your immediate supervisor and/or the Safety Administrator at extension 8281.

Political Activity Contributions and Lobbying

No Company funds or assets, including the work or time of any employee, may be contributed, loaned, or made available, directly or indirectly, in order to aid or promote the nomination or election of any person, or in order to aid or promote the interests, success or defeat of any political party. No funds or assets of the Company may be used for or contributed to any foreign political party, candidate or committee.

The Company encourages Company Representatives to exercise their rights of citizenship by voting, by making personal political contributions if they wish to do so with their own funds, and by being otherwise politically active on their own time in support of candidates or parties of the Company Representative's own personal selection. It should be clearly understood that such political activity by the Company Representatives must be engaged strictly in their individual and private capacities as responsible citizens and not on behalf of the Company. No Company Representative may receive any direct or indirect reimbursement or offsetting refund of any nature whatsoever with respect to political contributions. Lobbying on behalf of the Company requires disclosure to the government and is subject to specific and complex rules. Moreover, the concept of "lobbying" is quite broad. Examples of lobbying include contacting legislators, regulators, executive branch officials and their respective staffs on matters relating to the Company's business. Lobbying also includes any other efforts generally intended to influence legislation or administrative action. Company employees must consult with the General Counsel before undertaking any lobbying activities.

Company Assets and Corporate Opportunities

No Company Representative shall take or use Company assets, including his or her position, for their own use, benefit or gain or to benefit a person or entity other than the Company. Similarly, no Company Representative shall offer Company assets as a loan, gift or unpaid service to others. Company assets include information, technology, intellectual property (for example, copyrights, patents and trademarks), computers, computer networks and internet access, buildings, land,

equipment, vehicles, machines, telephones, voice mail, e-mail, copiers, software and cash, the Company's brand and the time and skills of Representatives.

No employee, officer or director is permitted to remove, dispose of, or destroy anything of value belonging to the Company without the Company's consent, including both physical items and electronic information. Company assets shall not be altered or changed without proper authorization.

No Company Representative shall use or agree to use his or her title or position with the Company or use the Company's brand to benefit, support or endorse anyone or anything other than the Company without prior authorization by the CEO.

Company Representatives are prohibited from taking for themselves personally, opportunities that are discovered through the use of Company property, information or position. Company Representatives owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

No employee, officer or director of the Company may participate in an initial public offering or otherwise accept special investment opportunities from a supplier or vendor (including a bank or financial adviser) with whom the Company is doing business or that is seeking to sell products or services to the Company without first disclosing the opportunity to the Company's General Counsel.

Recording Devices

The Company records certain conversations between Company Representatives and those we serve to create and maintain accurate records and to ensure quality services. Special programs or meetings may also be recorded for historical purposes. It is against Company policy to record conversations between Company Representatives on Company property without the prior written consent of each party being recorded.

Securities Fraud and Insider Trading

It is both illegal and against Company policy for any individual to profit from undisclosed information relating to the Company or any company with which we do business. (See the *Policy on Purchase and Sale of Company Securities* for more detailed information, annexed hereto as Attachment "C.") Anyone who is in possession of any material non-public information ("inside information") that the Company has not yet disclosed to the public may not purchase or sell any of the Company's securities. In addition, it is against Company policy for any Company Representative who may have inside or unpublished knowledge about any of our suppliers, customers, or any company we do business with to purchase or sell the securities of those companies.

"Material non-public information" is generally considered to be information, positive or negative, not available to the general public that would be expected to affect the decision of a reasonable investor contemplating whether to purchase, sell or hold Company securities. Information is also material if it could reasonably be expected to have a substantial effect on the market price of the Company's securities. Information may be material for this purpose even if it would not alone determine the investor's decision. Whether particular information is "material" at a particular

time may involve complex factual and legal analysis, and an individual should consider as material any information that would be important enough to affect a decision to buy or sell Company securities.

As stated above, material inside information can also be confidential information about another company that you obtained during the course of your work - for example from a customer, vendor or supplier.

No "tips." This means that you must never give someone else (your spouse, co-worker, friend, broker, etc.) a "tip" regarding material inside information: this includes discussions on internet "chat rooms" and blogs.

It is clearly against Company policy, and possibly illegal as well, to trade the Company's securities or the securities of any other company, in a way which attempts to hide the true identity of the trader or to mislead others as to exactly who is doing the trading. Any Company Representative trading in the Company's securities or the securities of other companies, using fictitious names, names of relatives or friends, or brokerage accounts under fictitious names located in foreign jurisdictions shall be subject to immediate disciplinary action. Should the Company discover any such trading, it will disclose it to the appropriate authorities.

Securities law violations are taken very seriously and can be prosecuted even when the amount involved was small or the "tipper" made no profit at all. Government agencies regularly monitor trading activities through computerized searches.

Employees who have inside information can lawfully trade in the market once the information is made public through established channels and enough time has passed for the information to "settle", that is, be absorbed by the public. Employees who have regular access to inside information must generally limit their trading of Company securities to specified "window periods." See Attachment C, *Policy on Purchase and Sale of Company Securities*.

Directors, officers and other employees are prohibited from engaging in short-term and other speculative transactions in Company securities, including short sales, transactions in publicly traded options and hedging transactions. Additionally, directors, officers and certain employees, as designated by the General Counsel, are prohibited from pledging Company securities. Attachment C, *Policy on Purchase and Sale of Company Securities* contains a more detailed explanation of these prohibited transactions.

If you have questions or concerns about your responsibilities under the insider trading laws, contact the General Counsel and Chief Compliance Officer.

Technology Policy

The Company reserves the broadest possible rights to ensure that all Company electronic media, including e-mail, Web, message boards, blogs, chat rooms, instant messages, voice mail, internet access and fax machines, computers, peripherals and related software are provided by the Company and used by employees to perform their job responsibilities in the most productive and efficient manner. Electronic media access is provided to conduct official Company business. Limited and incidental use not related to Company business must be kept to a reasonable level consistent with what would be appropriate for personal phone calls or personal e-mail usage.

Users with internet access must abide by all software license agreements, copyright laws, trademark laws, patent laws, intellectual property laws, and applicable State and Federal laws.

The Company's electronic media shall not be used for accessing, transmitting, retrieving or storing any communications of a discriminatory or harassing nature or which are derogatory to the Company, any individual or group. Prohibited communications include, but are not limited to, communications that are offensive, obscene, X-rated, defamatory, threatening, illegal, against Company policy or contrary to the Company's interest. The Company's electronic media shall not be used for the purpose of gambling, wagering, or pari-mutuel betting, irrespective of whether it is prohibited under federal or state law. You may not use Company electronic media to conduct outside employment or private business activities; or to create or forward junk email or spam.

The Company's electronic communications systems are solely the property of the Company and not the individual property of employees. Employees are given computers and internet access to assist them in the performance of their jobs. Employees should have no expectation of privacy in anything they create, store, send or receive using Company computer equipment, a Company network or Company internet connection. The Company computer network is the property of the Company and may be used only for Company purposes, and in compliance with this Code of Conduct.

- The Company may access and review all materials created, stored, sent or received by an employee through any Company network or internet connection, including encrypted communications.
- The Company has the right to monitor and log all aspects of its computer system including, but not limited to, monitoring internet sites visited by employees, monitoring chat and newsgroups, monitoring file downloads, and all electronic communications sent and received by employees using Company equipment or networks, including encrypted communications.
- The Company has the right to utilize software that makes it possible to identify and block access to internet sites containing material deemed inappropriate in the workplace.

All computer systems are password protected. Each user is responsible for preserving the security of their password, workstation, and company data. Users are responsible for the activity performed with their User ID, whether or not they executed the task.

Company policy provides that communications to all employees must first be reviewed by Corporate Communications. This policy may be found on the Intranet⁷. Guidelines to help you determine the types of messages that are appropriate for wide distribution may also be found on the Intranet.⁸

⁷ A copy of the Internal and External Communications Policy is located at:
<http://wall-moss-01/policyprocedure/All%20Companies/Internal%20External%20Written%20Communications.pdf>

⁸ A copy of the Information Systems policy is located at:
<http://investor.njresources.com/static-files/dd005b34-a2e2-47f7-9bd0-27f6dfb81abd>

No user shall access another user's communication systems without express permission from the senior officer of the business unit to do so. Such permission is not necessary in the event of an audit, or other Company action referred to above. Written policies regarding technology matters are available online.

Social networks allow you to share your thoughts, ideas, opinions and information in an informal worldwide conversation, but their use can raise various issues under the Code of Conduct and reflect upon the Company, as well as its employees, vendors and customers. You must ensure that your use of social media is consistent with the terms of this Code of Conduct. Regardless of the media, Company Representatives shall not:

- Post confidential, sensitive or proprietary information about the Company, employees, officers, Board members, or any other persons associated with the Company; or
- Post videos or photos using the Company's network or servers unless expressly authorized to do so by your supervisor in conjunction with your job.

Unfair Business Practices/Fair Dealings

Company Representatives are expected to compete honestly and fairly in the marketplace. Company Representatives may not compete through unfair practices, such as inducing customers to terminate or breach contracts with competitors, stealing or misusing competitors' trade secrets, making false statements or disparaging remarks about competitors, unduly interfering with a competitor's source of supply, or requiring someone to buy from the Company before the Company buys from them.

The Company is committed to being honest and truthful in all activities. Consistent with that commitment, Company Representatives shall avoid deceptive and misleading statements and omissions in customer-related activities, such as marketing and sales.

Violence in the Workplace

The Company is committed to providing a safe and secure work environment for employees and others conducting business on its premises. The following types of behavior are prohibited and will not be tolerated:

- Threatening, intimidating, coercive, abusive, harassing, or violent verbal, written, or physical behavior, or the suggestion of such behavior, toward or from co-workers, customers, suppliers, and visitors to Company premises/work sites;
- Possessing firearms, explosives, or other weapons anywhere on Company property (including Company vehicles and private vehicles on Company property) or while conducting Company business;
- Fighting on the job or while conducting Company business; and
- Willfully destroying Company property or the property of others.

All reports of such behavior will be taken seriously and will be investigated. Employees who exhibit such behavior may be removed from the premises and may be subject to disciplinary action up to and including termination of employment, criminal penalties, or both.

Examples of weapons prohibited on Company property include, but are not limited to: firearms; knives with blades exceeding three inches unless used as a Company-issued tool; explosives, ammunition, pellet guns; paintball guns; Tasers; bows, arrows and swords.

The cooperation of all employees is necessary to implement this policy effectively and maintain a safe working environment. The Company expects all employees and, especially, supervisors to take precautions to prevent antagonistic or violent behavior in the workplace.

Violent, threatening, harassing, intimidating, or other disruptive behavior should not be ignored. If an employee observes or experiences such behavior by anyone on Company premises or while conducting Company business, whether he or she is an employee or not, it should be reported immediately to a supervisor or manager. Supervisors and managers who receive such reports should seek advice from Human Resources at extension 8127 regarding investigating the incident and initiating appropriate action.

Please note: Threats or assaults that require immediate attention by police should be reported first to the police at 911 with a subsequent call to Human Resources.

Waivers of the Code

The NYSE Listing Standards mandate that only the Company's Board of Directors or an authorized committee of the Board may grant a waiver to any provision of the Code of Conduct for an executive officer or director. The NYSE Listing Standards further require that any authorized waiver to an executive officer or a director must be promptly disclosed to shareholders within four business days from the grant of the waiver.

CONCLUSORY STATEMENT

No code of conduct can be expected to cover every conceivable type of illegal, unethical, immoral or otherwise unacceptable behavior. We have made explicit in this Code numerous kinds of conduct that are prohibited. It is also important to understand that it is implicit in this Code of Conduct and the Company's policies and procedures that conduct that violates the law, dishonesty, fraud, unethical behavior and false statements in the course of one's employment with the Company are prohibited. Violations of this Code or of the Company's policies, including dishonesty of any kind, will result in discipline up to and including termination.

Further, the Company relies upon the knowledge, expertise, common sense and good judgment of its employees, particularly those who hold specialized positions within the Company, such as engineering or accounting positions. For those employees, the Company expects and indeed demands compliance with all laws, regulations and commonly accepted standards applicable to such specialized fields.

There may be occasions when you are uncertain about what is the right thing to do. Since adherence to Company policy and this Code of Conduct is a condition of continued employment, it is vital that the Code of Conduct is thoroughly understood. ***You are encouraged to seek answers to any questions regarding the interpretation or application of the Code of Conduct prior to taking any action of which you are unclear.*** Any legal questions about the matters discussed herein or about the laws and regulations applicable to the Company should be addressed to: General Counsel and Chief Compliance Officer, Headquarters Building, at 732-919-8039.

The Company reserves the right to make changes to this document as it deems necessary and appropriate. This document is advisory in nature and does not create a contractual obligation between the Company and any director, officer, employee or agent of the Company. The use of mandatory language is not intended to convert this document into a contractually binding term of employment. It does not constitute a guarantee that employment will continue for any specified period, conform to any specified standard, or end only under certain conditions. Nothing in this document constitutes an expressed or implied contract of employment.

Revised May 10, 2017

**NEW JERSEY CONSCIENTIOUS EMPLOYEE PROTECTION ACT
"WHISTLEBLOWER ACT" NOTICE**

The notice on the following page is required by law to be conspicuously displayed and distributed annually to all employees pursuant to the New Jersey Conscientious Employee Protection Act ("CEPA"), N.J.S.A. 34:19-1, et seq.

The following persons are designated to receive the foregoing written notification and answer questions regarding your rights and responsibilities under this act (N.J.S.A. 34:19-4): the General Counsel and Chief Compliance Officer, 1415 Wyckoff Road, Wall, New Jersey 07719 at 732-919-8039; the Senior Vice President and Chief Human Resources Officer, 1415 Wyckoff Road, Wall, New Jersey 07719 at 732-919-8013; the Vice President, Internal Audit, 1415 Wyckoff Road, Wall, New Jersey 07719 at 732-938-1220; the Senior Vice President and Chief Operating Officer of New Jersey Natural Gas Company, 1415 Wyckoff Road, Wall, New Jersey 07719 at 732-938-1489; the Senior Vice President of NJR Energy Services, 1415 Wyckoff Road, Wall, New Jersey 07719 at 732-938-1261; and the President of NJR Home Services Company, 5008 Belmar Boulevard, Farmingdale, New Jersey 07727 at 732-938-1133.

An employee or former employee has one (1) year to institute a civil action in court for an alleged violation of CEPA.

Conscientious Employee Protection Act "Whistleblower Act"

Employer retaliatory action; protected employee actions; employee responsibilities

1. New Jersey law prohibits an employer from taking any retaliatory action against an employee because the employee does any of the following:
 - a. Discloses, or threatens to disclose, to a supervisor or to a public body an activity, policy or practice of the employer or another employer, with whom there is a business relationship, that the employee reasonably believes is in violation of a law, or a rule or regulation issued under the law, or, in the case of an employee who is a licensed or certified health care professional, reasonably believes constitutes improper quality of patient care;
 - b. Provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into any violation of law, or a rule or regulation issued under the law by the employer or another employer, with whom there is a business relationship, or, in the case of an employee who is a licensed or certified health care professional, provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into quality of patient care; or
 - c. Provides information involving deception of, or misrepresentation to, any shareholder, investor, client, patient, customer, employee, former employee, retiree or pensioner of the employer or any governmental entity.
 - d. Provides information regarding any perceived criminal or fraudulent activity, policy or practice of deception or misrepresentation which the employee reasonably believes may defraud any shareholder, investor, client, patient, customer, employee, former employee, retiree or pensioner of the employer or any governmental entity.
 - e. Objects to, or refuses to participate in, any activity, policy or practice which the employee reasonably believes:
 - (1) is in violation of a law, or a rule or regulation issued under the law or, if the employee is a licensed or certified health care professional, constitutes improper quality of patient care;
 - (2) is fraudulent or criminal; or
 - (3) is incompatible with a clear mandate of public policy concerning the public health, safety or welfare or protection of the environment. N.J.S.A. 34:19-3.
2. The protection against retaliation, when a disclosure is made to a public body, does not apply unless the employee has brought the activity, policy or practice to the attention of a supervisor of the employee by written notice and given the employer a reasonable opportunity to correct the activity, policy or practice. However, disclosure is not required where the employee reasonably believes that the activity, policy or practice is known to one or more supervisors of the employer or where the employee fears physical harm as a result of the disclosure, provided that the situation is emergency in nature.

CONTACT INFORMATION

Your employer has designated the following contact person to receive written notifications, pursuant to paragraph 2 above (N.J.S.A. 34:19-4):

Name: _____

Address: _____

Telephone Number: _____

This notice must be conspicuously displayed.

Once each year, employers with 10 or more employees must distribute notice of this law to their employees. If you need this document in a language other than English or Spanish, please call (609) 292-7832.



La Ley de protección al empleado consciente

"Ley de protección del denunciante"

Acciones de represalia del empleador; protección de las acciones del empleado

1. La ley de New Jersey prohíbe que los empleadores tomen medidas de represalia contra todo empleado que haga lo siguiente:
 - a. Divulgue o amenace con divulgar, ya sea a un supervisor o a una agencia pública toda actividad, directriz o norma del empleador o de cualquier otro empleador con el que exista una relación de negocios y que el empleado tiene motivos fundados para pensar que violan alguna ley, o en el caso de un trabajador licenciado o certificado de la salud y que tiene motivos fundados para pensar que se trata de una manera inadecuada de atención al paciente;
 - b. Facilite información o preste testimonio ante cualquier agencia pública que conduzca una investigación, audiencia o indagación sobre la violación de alguna ley, regla o reglamento que el empleador o algún otro empleador con el que exista una relación de negocios; o en el caso de un trabajador licenciado o certificado de la salud que facilite información o preste testimonio ante cualquier agencia pública que conduzca una investigación, audiencia o indagación sobre la calidad de la atención al paciente; o
 - c. Ofrece información concerniente al engaño o la tergiversación con accionistas, inversionistas, usuarios, pacientes, clientes, empleados, ex empleados, retirados o pensionados del empleador o de cualquier agencia gubernamental.
 - d. Ofrece información con respecto a toda actividad que se pueda percibir como delictiva o fraudulenta, toda directiva o práctica engañosa o de tergiversación que el empleado tenga motivos fundados para pensar que pudieran estafar a accionistas, inversionistas, usuarios, pacientes, clientes, empleados, ex empleados, retirados o pensionados del empleador o de cualquier agencia gubernamental.
 - e. Se opone o se niega a participar en alguna actividad, directriz o práctica que el empleado tiene motivos fundados para pensar que:
 - (1) viola alguna ley, o regla o reglamento que dicta la ley o en el caso de un empleado licenciado o certificado en cuidado de la salud que tiene motivos fundados para pensar que constituya atención inadecuada al paciente;
 - (2) es fraudulenta o delictiva; o
 - (3) es incompatible con algún mandato establecido por las directrices públicas relacionadas con la salud pública, la seguridad o el bienestar o la protección del medio ambiente. Artículo 34:19-3 de las Leyes comentadas de New Jersey de protección del empleado consciente (N.J.S.A., por sus siglas en inglés)
2. No se puede acoger a la protección contra la represalia, cuando se hace una divulgación a un organismo público, a no ser que el empleado le informe al empleador de tal actividad, política o norma a través de un aviso por escrito y le haya dado al empleador una oportunidad razonable para corregir tal actividad, política o norma. Sin embargo, no es necesaria la divulgación en los casos en que el empleado tenga indicios razonables para creer que un supervisor o más de un supervisor del empleador tienen conocimiento de tal actividad, política o norma o en los casos en los que el empleado teme que tal divulgación pueda traer como consecuencia daños físicos a su persona siempre y cuando la naturaleza de la situación sea la de una situación de emergencia.

Información del Contacto

Su empleador ha designado a la siguiente persona para recibir notificaciones de acuerdo al parrafo 2, de la ley (N.J.S.A. 34:19-4):

Nombre: _____

Dirección: _____

Número de teléfono: _____

Este aviso se debe exponer a la vista de todos.

Anualmente, patronos con 10 o más empleados, deberán distribuir notificación de esta ley a todos sus empleados. Si necesita este documento en algún otro idioma que no sea inglés o español, sírvase llamar al (609) 292-7832.

ANTITRUST COMPLIANCE GUIDELINES

The Company is committed to full compliance with all laws and regulations, and to maintaining the highest ethical standards in the way we conduct our business. The Company's commitment includes strict compliance with federal and state antitrust laws, which are designed to promote vigorous and fair competition and to provide American consumers with the best combination of price and quality. Compliance with the antitrust laws is serious business. Antitrust violations may result in heavy fines for corporations, and in fines and even imprisonment for individuals.

The summary below is intended to alert all Company directors, officers, employees and consultants to practices and events which may involve issues under these laws requiring inquiry to the General Counsel. They are not intended to be used to decide if a practice violates the law.

Competition and antitrust laws:

- (i) Prohibit certain agreements or understandings, whether in writing or otherwise, between competitors that undermine competition;
- (ii) Prohibit certain arrangements that interfere with the operation of a free market;
- (iii) Regulate the behavior of dominant companies; and
- (iv) Require prior review and in some instance clearance for mergers, acquisitions and certain other transactions, in order to prevent transactions that could reduce competition.

THE COMPANY'S ANTITRUST COMPLIANCE POLICY WILL BE STRICTLY ENFORCED. ANY EMPLOYEE WHO FAILS TO ADHERE TO THIS POLICY WILL BE SUBJECT TO DISCIPLINE UP TO AND INCLUDING TERMINATION.

In all Company activities, all directors, officers and employees and consultants retained by the Company must avoid any discussions or conduct that might violate the antitrust laws or even raise an appearance of impropriety. Whenever you have any doubts about whether a given practice complies with antitrust law, you should consult the General Counsel.

All Company directors, officers, employees and consultants should be aware that it is Company policy that they follow the following Guidelines regarding contacts with competitors, suppliers and customers:

(a) *Competitors*

DO NOT discuss with a competitor (either during trade association meetings or any other contact) any subject relating to current prices or plans for future prices, any elements of pricing, or any element of business strategy such as, but not limited to:

- prices (including discounts, allowances, trading conditions and resale prices);
- bids,
- sales territories, allocation of customers or product lines;
- terms and conditions of sale,

- production, sales capacity or volume,
- costs, profits or profit margins (whether past, current or future),
- market share,
- product of service offerings,
- distribution methods,
- a refusal to purchase from a particular supplier or sell to a particular customer.

If the circumstances require, walk away or hang up the telephone if that is what it takes to end your involvement (even as a listener) in the discussions.

DO NOT propose or enter into agreements with anyone -- including competitors, agents, brokers or customers -- regarding whether to submit a bid or the terms of a bid where there is an understanding that the bid is submitted for any purpose other than winning the business.

(b) Suppliers or Customers

Such arrangements may often be lawful, but there are risks involved if they are not established appropriately. It is prudent that employees proceed with care.

DO NOT propose or enter into agreements or understandings with customers that restrict the price or other terms at which the customer may resell a product or service to a third party unless reviewed with the General Counsel.

DO NOT propose or enter into agreements or understandings with suppliers that restrict the price, the offer or other terms at which any product or service may be resold unless reviewed with the General Counsel.

DO NOT charge two customers in the same market channel different prices for the same product unless the terms of sale are reviewed with the General Counsel.

DO NOT condition the sale of energy services or another product or service to a customer unless the customer also agrees to purchase a separate product or service.

AVOID any agreement with suppliers providing for a restriction on the territory into which or of customers to whom the Company may sell products unless reviewed with the General Counsel.

DO NOT implement exclusive arrangements or exclusionary or restrictive practices (selective rebates, fidelity rebates, forced bundling of product offerings) or similar arrangements unless reviewed with the General Counsel.

MERGERS & ACQUISITIONS AND JOINT VENTURES

Proposed mergers and acquisitions and joint ventures may involve regulatory scrutiny of the transaction including production of many documents created as part of the process. In many respects it is appropriate that a potential partner in a transaction be treated just as any other competitor. Among the company policies applicable to these situations are the requirements that employees:

CONSULT with General Counsel to avoid the creation of misleading documents regarding the

transaction as well as to help reduce the risks of non-compliance in the evaluation of any proposed merger, acquisition, joint venture or any other business arrangement that could raise competition law and antitrust issues.

CONCLUSION

In order to avoid potential risk or even the appearance of impropriety, it is the Company's policy that any director, officer, employee or consultant:

- 1. consult with the General Counsel about any internally produced documents or documents produced by a third party on behalf of the Company that touch on the above discussed sensitive subjects.
- 2. consult with the General Counsel on any non-routine correspondence that requests the Company to participate in projects or programs, submit data for such activities, or otherwise join other companies in joint activity.
- 3. use an agenda and take accurate minutes at every meeting, which should be reviewed by the General Counsel before they are finalized and circulated.
- 4. refrain from using language or creating documents or other records that might be misinterpreted to suggest that the Company condones or is involved in anticompetitive behavior.

You are encouraged to seek answers to any questions regarding the interpretation or application of this policy prior to taking any action of which you are unclear. Any legal questions about the matters discussed herein should be addressed to the General Counsel and Chief Compliance Officer, 1415 Wyckoff Road, Wall, NJ; telephone number 732-919-8039.

NEW JERSEY RESOURCES CORPORATION

POLICY REGARDING THE PURCHASE AND SALE OF NEW JERSEY RESOURCES CORPORATION SECURITIES

Revision Date: May 10, 2017

In order to assure that directors, officers and employees of NJR and its subsidiaries (collectively referred to as the "Company") do not violate legal prohibitions on "insider trading" of NJR securities, this policy has been established.

In accordance with the following requirements, it is the policy of the Company that no director, officer or employee should unlawfully use or profit from non-public information about the Company.

A. General Requirements

1. Federal and state securities laws generally impose upon insiders -- corporate officers, directors and employees and other fiduciaries -- possessing material non-public information a "disclose or abstain" rule. This means that the insider must abstain from trading in the Company's securities unless the information has been publicly disclosed and sufficient time has elapsed for the information to be "absorbed" by the investing public.

Since insiders are not generally in a position to act on their own to disclose material non-public information without violating their fiduciary duty of confidentiality to the Company and causing the Company substantial harm, the "disclose or abstain" rule should be regarded as imposing an obligation not to trade in Company securities at any time when one is in possession of material non-public information.

2. "Material non-public information" is generally considered to be information, positive or negative, not available to the general public that would be expected to affect the decision of a reasonable investor contemplating whether to purchase, sell or hold Company securities. Information is also material if it could reasonably be expected to have a substantial effect on the market price of the Company's securities. Information may be material for this purpose even if it would not alone determine the investor's decision. Whether particular information is "material" at a particular time may involve complex factual and legal analysis, and an individual should consider as material any information that would be important enough to affect a decision to buy or sell Company securities.

Examples of non-public information which is normally considered to be material includes information related to stock splits and other actions relating to capital structure, possible acquisitions, business combinations or asset sales, major management changes, dividend rate changes, the proposed issue or repurchase of Company securities, information concerning earnings or similar financial information, new major contracts and the commencement of or significant developments in litigation or ratemaking proceedings, as well as other important corporate developments. Such information continues to be "non-public" information until disclosed to the general public.

3. Any director, officer or employee who is in possession of material non-public information is an "insider." This includes not only directors and officers, but also non-management employees and persons outside the Company, such as spouses, friends, brokers, etc., who may have acquired the "inside" information directly or through tips.

4. In order to assure that directors, officers, employees and other insiders do not violate the legal prohibition on "insider trading," the following procedures have been established. These procedures should not, however, be viewed as exhaustive, and anyone who is uncertain as to whether a proposed transaction in Company securities would violate these insider trading procedures should consult with the General Counsel before engaging in it. All directors, officers and all others who have regular contact with the Board of Directors of the Company should consult with the General Counsel before engaging in any transactions in Company securities.

B. Specific Requirements

1. Directors, officers and employees shall maintain as confidential and shall not disclose material non-public information to any third party (including members of their families), except as part of an official Company disclosure such as a news release or a required filing with the Securities and Exchange Commission or other federal or state governmental agency.

2. In order to ensure adequate dissemination of financial information to the general public prior to trading, directors, officers, members of the Reporting Committee (the "RC") and other insiders, in addition to being subject to all of the other limitations in this policy, may only engage in transactions in Company securities during the period commencing on the third business day after public release of annual or quarterly financial information of NJR and ending on the fifth business day before the end of the fiscal quarter (the "Trading Window"). The General Counsel may also require persons in addition to directors, officers and the RC to comply with the restrictions of this paragraph and may determine that no transactions shall take place during all of or a part of the Trading Window. Affected persons shall be notified of any such requirement or determination by the General Counsel.

3. Insiders shall not engage in transactions of NJR securities while in possession of material nonpublic information. If, at any time during the open Trading Window, a director, officer, member of the RC or other employee of the Company becomes aware of material non-public information, he or she shall immediately notify the General Counsel and further shall refrain from engaging in transaction in Company securities. Such persons may resume transactions in Company securities 48 business hours after the inside information has been publicly disclosed unless they are otherwise prohibited from doing so under this Policy.

4. This Policy shall not prohibit directors, officers or members of the RC (or others who may be subject to restrictions under this Policy) from engaging in the following transactions outside of the Trading Window ("Permissible Transactions"):

- Transactions made under a trading plan adopted pursuant to Securities and Exchange Commission Rule 10b-5(-1)(c) (17 C.F.R. §240.10b5-1(c)) and approved in advance and in writing by the Company's Legal Department ("10b5-1 Plan").
- Granting Bona fide gifts of Company stock.

- Exercising options and holding all the shares, (i.e., other than a cashless exercise or any other market sale for the purpose of generating cash needed to pay the exercise price of an option).
- Acquiring shares of Company stock through the dividend reinvestment features of the Company's Automatic Dividend Reinvestment Plan (DRP), including purchases of shares resulting from a periodic contribution of money to the DRP pursuant to the election made at the time of enrollment in the DRP (voluntary purchases of Company stock resulting from optional cash payments to the DRP and new elections to participate in the plan or increase the amount of cash contributed by payroll deduction to the DRP are **not** Permissible Transactions).
- Acquiring shares of Company stock through other similar non-discretionary, regular investment programs of the Company such as the Directors' Deferral Plan or Executive Compensation Deferral Plan.
- Acquiring shares through the Employees' Retirement Savings Plan ("401(k) Plan") as a result of periodic contributions to the 401k Plan pursuant to a payroll deduction election. **However, the following are not permissible transactions when the Trading Window is closed:** Elections made under the 401(k) Plan to (a) increase or decrease the percentage of periodic contributions that will be allocated to the Company stock fund, (b) make an intra-plan transfer of an existing account balance into or out of the Company stock fund, (c) to borrow money against a 401(k) Plan account if the loan will result in a liquidation of some or all of the Company stock fund balance or (d) to pre-pay a plan loan if the prepayment will result in allocation of loan proceeds to the Company stock fund.

A director, officer or employee who has entered into a 10b5-1 Plan must report to the General Counsel (i) all transactions made pursuant to the 10b5-1 Plan and (ii) the completion or termination of the 10b5-1 Plan.

5. No director, officer or member of or subject matter expert to the Benefits Administration Committee of the Company may engage in transactions in any Company securities during any period when all employees are prohibited from engaging in transactions in the 401(k) Plan. Each person subject to this prohibition will be advised in writing prior to the start of any prohibited period.

6. Any questions concerning the interpretation of the foregoing rules, including whether particular information is material or has been publicly disclosed, should be referred to the General Counsel prior to engaging in a transaction in Company securities.

C. Hedging and Other Prohibited Insider Transactions

Directors, officers and employees of NJR and its subsidiaries are prohibited from engaging in short-term and other speculative transactions in NJR's securities. Specifically, directors, officers and other employees shall not engage in any of the following transactions:⁹

⁹ The list of prohibited transactions below is illustrative only and does not include every kind of short-term or other speculative transaction that violates this policy.

1. **Short Sales.** Short sales of NJR securities demonstrate an expectation on the part of the seller that the securities will decline in value and therefore signal to the market that the seller has no confidence in the Company or its short-term prospects. In addition, short sales may reduce the seller's incentive to improve the Company's performance. For these reasons, short sales of NJR securities are prohibited. In addition, Section 16(c) of the Securities Exchange Act of 1934 prohibits officers and directors from engaging in short sales involving their company's stock.

2. **Publicly Traded Options.** Publicly traded options generally are instruments in the form of options (puts, calls, etc.) used for hedging and similar transactions that are publicly traded, and do not include the options to buy NJR stock issued by NJR to its directors, officers and employees. A transaction in publicly traded options is, in effect, a bet on the short-term movement of a company's stock and therefore creates the appearance that the director or employee is trading based on inside information. Transactions in these options also may focus the director's, officer's or employee's attention on short-term performance at the expense of the Company's long-term objectives. Accordingly, transactions in puts, calls or other derivative securities involving NJR securities, on an exchange or in any other organized market, are prohibited.

3. **Hedging Transactions.** Certain forms of hedging or monetization transactions (such as zero-cost collars, forward-sale contracts, equity swaps and exchange funds) allow a holder to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow the director, officer or employee to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the director, officer or employee may no longer have the same objectives as NJR's other stockholders. For these reasons, hedging or monetization transactions involving NJR securities are prohibited.

4. **Margin Accounts.** Securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Because a margin sale may occur at a time when the customer is aware of material, nonpublic information or otherwise is not permitted to trade in NJR securities (based on Section 16 of the Exchange Act that prohibits "short-swing" trading by insiders or otherwise), directors, officers and other employees are prohibited from holding NJR securities in a margin account.

D. Pledges

Directors, officers and certain employees, as designated by the General Counsel, are prohibited from pledging Company securities. If an employee (other than an officer) is prohibited from pledging NJR securities, the General Counsel shall inform the employee accordingly.

REPORTING DISCRIMINATION, RETALIATION AND HARASSMENT COMPLAINTS
CONTACT LIST

If you believe that you may have been, or anyone else may have been, unlawfully discriminated against, harassed by or retaliated against by any officer, manager, supervisor, co-worker, agent or non-employee in violation of this Equal Employment Opportunity Policy, you should report your concerns immediately to your supervisor or any of the points of contact listed below. Please speak with whichever person you feel the most comfortable, whatever your reasons

Legal Department
Nancy Washington
Senior Vice President & General Counsel
(732) 919-8039

Human Resources
Brian Emerson
Manager Employee & Labor Relations
(732) 919-8127

1. Howie Brey, Supervisor Distribution, Bay (732) 938-6745
2. Diane Davidson, Asst. Controller - Corporate, Wall (732) 919-8055
3. Mariellen Dugan, Senior V.P. and COO, NJNG, Wall (732) 938-1489
4. Frank Casey, Manager NJRHS Operations, Wall (732) 938-1180
5. Marianne Harrell, Senior Rate Analyst, Wall (732) 938-1257
6. Rick Hauter, Mgr., Distribution, Ocean Division, Lakewood (732) 938-4323
7. Jeff Lamb, Asset Manager, NJR Clean Energy Ventures, Wall (732) 938-1171
8. Daniel Lin, Managing Engineer, Wall (732) 938-7226
9. Alfred Glass, Manager, Customer Contact Office, Wall (732) 938-1264
10. Kathleen O'Connell, Mgr., Cust. Adv. & Volunteerism, Wall (732) 938-1074
11. Ginger Richman, Vice President, Gas Supply/Energy Services, Wall (732) 938-1268
12. Holly McGovern, Mgr. - Distribution, Monmouth Cty., Wall (732) 919-8117
13. Kraig Sanders, Director, PMT, Maude (732) 938-1188
14. James Tarleton, General Supervisor, North Div., Rockaway (732) 938-4666
15. William Wells, Director-Field Operations, Monmouth Cty., Maude (732) 919-8282
16. Stephen Westhoven, Senior Vice President and COO – NJRES and NJRCEV, Wall (732) 938-1261
17. John Wyckoff, Director, Engineering, Wall (732) 938-7864

You may also make good faith reports of suspected irregularities or illegalities directly to the non-management members of the Board of Directors of the Company by contacting EthicsPoint, Inc., our independent third-party vendor at 1-866-384-4277, or send an email to ethicspoint.com.

OUR COMMITMENT TO STAKEHOLDERS

- **SAFE, RELIABLE AND COMPETITIVELY PRICED SERVICE**
- **CUSTOMER SATISFACTION**
- **GROWTH**
- **QUALITY**
- **VALUING EMPLOYEES**
- **CORPORATE CITIZENSHIP**
- **SUPERIOR RETURN**



**Code of Conduct
of New Jersey Resources Corporation
Governing Wholesale Natural Gas Buying and Selling
and the Reporting of Trade Data for Index Development Purposes**

General Policies

The policy of New Jersey Resources Corporation and its subsidiaries (the “Company”) is for all officers, employees, agents and others authorized to act on the Company’s behalf to comply fully with all applicable laws and regulations, including, but not limited to Federal Energy Regulatory Commission (“FERC”) and Commodity Futures Trading Commission (“CFTC”) regulations and the rules established by Intercontinental Exchange (“ICE”), CME Group, and any other exchanges on which the Company transacts, and to adhere to the highest professional and ethical standards in the conduct of the Company’s natural gas wholesale purchase and sale business. The Company’s business shall be conducted in accordance with the highest standards of honesty, integrity and fairness, and business decisions shall be made to honor the spirit and letter of all applicable laws and regulations.

The Company believes that the development and publication of fair, accurate and robust natural gas price indices has value to all industry stakeholders. Accordingly, the Company's policy is to participate, voluntarily and with appropriate protection for competitively sensitive information, in the collection by industry-recognized index developers of transaction data for the purpose of developing and publishing price indices. In all such activities, the Company is committed to full compliance with all applicable laws and regulations, as well as adherence to the general principles set forth by FERC in its *Policy Statement on Natural Gas and Electric Price Indices* and CFTC regulations prohibiting the knowing or reckless false reporting of market information or price information.

Any questions regarding the policies set forth herein should be addressed to the Company’s Chief Compliance Officer, Nancy A. Washington, Senior Vice President and General Counsel of New Jersey Resources Corporation. Ms. Washington’s telephone number is (732) 919-8039, e-mail address is nwashington@njresources.com and business address is 1415 Wyckoff Road, Wall, New Jersey 07719. In addition, any questions pertaining to the Company’s reporting of price information to index developers may be addressed directly to Dennis F. Veltre, Director – Risk Management, NJR Service Corporation. Mr. Veltre’s telephone number is (732) 938-4541, e-mail address is dveltre@njresources.com and business address is 1415 Wyckoff Road, Wall, New Jersey 07719.

Any person with knowledge or concerns regarding activities that may be in violation of this Code of Conduct or of any applicable laws or regulations must report them immediately to the Company's Chief Compliance Officer. There will be no retaliation for reports made in good faith.

The policy guidelines established in this wholesale natural gas transactions Code of Conduct are intended to be in addition to, and not in lieu of, (1) the New Jersey Resources Corporation Code of Conduct, which is applicable to all business activities of the Company, and (2) any other specific policies and procedures that apply to particular business activities and/or personnel of the Company.

This policy applies to all officers and any employees and agents directly or indirectly involved in the purchasing or sale for resale of, or the submission of offers to sell, natural gas or pipeline or storage capacity ("Trading Representatives").

Failure to adhere to this Code of Conduct will result in disciplinary action, up to and including termination of employment. This Code will be consistently and strictly applied, and will include disciplinary action against any supervisory personnel for negligent failure to detect an offense in his or her area of responsibility.

Policies Governing the Buying and Selling of Natural Gas in Wholesale Markets

- **Accounting & Financial Records**

The accuracy of the Company's accounting, financial and auditing records and reports is crucial to the integrity and success of the Company. At no time should anyone knowingly falsify or misrepresent these records or reports, or require that others do so. Moreover, it shall be the Company's policy to make full, fair, accurate, timely and understandable disclosure as required by applicable laws and regulations. Any Trading Representative with knowledge or concerns regarding questionable accounting, financial or auditing matters must report them to the Company's Chief Compliance Officer.

It shall be the policy of the Company to retain, for a period consistent with FERC policy (which is currently five years), all data and information upon which it billed the prices it charged for natural gas sold pursuant to any market based sales certificate issued by the FERC.

- **Antitrust Laws, Fair Competitive Practices, and Prohibition of Manipulative and Disruptive Conduct**

The Company's policy is to comply fully with both the letter and spirit of all federal and state antitrust and fair competition laws. The basic premise behind these laws is that all companies should compete individually rather than join together in agreements or actions that restrict their individual competition. Although the antitrust laws and the actions they proscribe are complicated, examples of a few types of activities that may be violations of those laws are: 1) competitors agreeing on prices they will charge for their products or agreeing to serve customers in certain exclusive areas; 2) competitors agreeing on the types of products or the amount of any product the companies will produce or offer for sale; 3) tying the sale of one product or service on the purchaser buying a separate unrelated product or service; and 4) treating similarly situated purchasers/sellers or users of a product or service differently. Any questions about this issue should be directed to the Chief Compliance Officer.

The Company's wholesale natural gas buying and selling, reporting of trade data for index development purposes and related communications with others will concern genuine proposed or actual transactions and will be undertaken so as not to violate the antitrust or fair competition laws. The Company will separately maintain Antitrust Compliance Guidelines and periodically review those Guidelines with trading and other appropriate personnel.

All Trading Representatives shall be prohibited from engaging in actions or transactions relating to physical or financial natural gas commodity, transportation or storage, swaps or futures markets that are disruptive, manipulative or deceptive. In particular, consistent with FERC and CFTC regulations, the Company prohibits (1) the use or employment of any device, scheme or artifice to defraud, (2) the making of any untrue statement of a material fact or omission of a material fact that would be necessary to make a statement made not misleading under the circumstances, (3) acts, practices and courses of business that operate as a fraud or deceit upon any entity, (4) intentional or reckless disregard for the orderly execution of market transactions during the closing period, and (5) "spoofing" (bidding or offering with the intent to cancel the bid or offer before execution). Examples of such prohibited conduct include engaging in pre-arranged offsetting trades of the same product among the same parties that involve no economic risk and no net change in beneficial ownership (so-called "wash trades"), knowingly or recklessly submitting false information in connection with a transaction, collusion with another party for the purpose of manipulating natural gas market prices, conditions, or rules, and intentionally causing or attempting to cause artificial prices or price trends that do not reflect legitimate forces of supply and demand.

- **Affiliate Sales and Purchases**

No Trading Representative acting on behalf of New Jersey Natural Gas Company may enter into any transaction to directly purchase or sell natural gas, transportation, storage or related products or services from or to an affiliate of New Jersey Natural Gas Company without the express prior written consent of the Company's Chief Executive Officer. Consent to any such transaction shall be at the sole discretion of the Chief Executive Officer; provided, however, such consent shall not be given if he determines that at the time the request for consent is made (i) the sale of the product or service to New Jersey Natural Gas Company would exceed the market price for such product or service; or (ii) the sale of the product or service by New Jersey Natural Gas Company would be at a price less than the higher of its cost or the market price.

No Trading Representative may enter into any transaction with a third party to purchase or sell natural gas, transportation, storage or related products or services if the Trading Representative knows at the time that the transaction is entered into that the third party has entered into or plans to enter into a corresponding contemporaneous transaction with the Company to resell or repurchase the same or similar product or service. Notwithstanding the foregoing, any transaction executed through ICE or similar trading platform is *per se* not in violation of this prohibition.

For purposes of this prohibition, an "affiliate" of a specified company includes any company that controls, is controlled by, or is under common control with the specified company.

- **Confidential Information**

All Trading Representatives must appropriately safeguard the Company's trade secrets and confidential or proprietary information, and refuse any improper access to trade secrets and confidential information of any other company, including the Company's competitors. Trading Representatives should always be alert to avoid inadvertent disclosure that could arise in either social conversations or in normal business relations with Company suppliers and customers.

Confidential information is any information, which, at the time it is known, is not generally available to the public and which is useful or helpful to the Company and/or which would be useful or helpful to competitors of the Company. Confidential information can include customer, employee, stockholder, supplier, financial or operational information and plans for stock splits, business acquisitions and mergers, or an important pending regulatory action.

Any Company confidential information to which a Trading Representative may have access should be discussed with others in the Company only on a need-to-know basis.

If the Company wishes to disclose its own trade secret or confidential information to anyone outside the Company, it should be done only in conjunction with appropriate trade secret or confidential information disclosure agreements that must be reviewed by the Company's legal department.

- **Conflicts of Interest**

No Trading Representative shall pursue or engage in any outside employment, business or other commercial activity, either during or outside such Trading Representative's Company working hours, which conflicts or competes directly or indirectly with his or her duties or responsibilities as a Trading Representative, or with any business interests or activities of the Company. Trading Representatives are expected to carefully consider whether any of their actions during or outside Company hours rise to the level of a conflict of interest. Even the appearance of a conflict of interest must be avoided.

Trading Representatives directly involved in the trading of natural gas have an affirmative obligation to disclose to the Chief Compliance Officer any interest, including but not limited to, a financial interest in any outside activities or business that may conflict or compete with those of the Company. This affirmative disclosure obligation extends to the interests of the Trading Representative's immediate family members(s).

At no time during Company working hours or on Company property shall any Trading Representative engage in or pursue any non-company employment, business or commercial activity, or solicit Company customers or Trading Representatives for any profit-making purpose, nor shall any Trading Representative make use of any Company vehicles, telephones, tools, equipment, information, or other facilities at any time for any such purpose.

Trading Representatives directly involved in the trading of natural gas shall not enter into any natural gas transactions for their personal accounts. Any questions regarding this policy should be addressed with the Chief Compliance Officer. No vendor or consultant shall be retained to perform services for any business unit where a Trading Representative in that business unit is related to, lives with or is in a relationship with the consultant or vendor, without the express permission of the Company's Chief Executive Officer. Any such existing relationship must be immediately disclosed to the Chief Compliance Officer.

Unless specifically approved by an officer of the Company, vendors or consultants may only be contacted for purposes for which the vendor or consultant was retained.

- **Securities Fraud and Insider Trading**

It is both illegal and against Company policy for any individual to profit from undisclosed information relating to the Company or any company with which the Company does business. (See the *Policy Regarding the Purchase and Sale of New Jersey Resources Corporation Securities*) Anyone who is in possession of material non-public information that the Company has not yet disclosed to the public may not purchase or sell any Company securities. Moreover, Trading Representatives who have material non-public information about any of the Company's suppliers, customers, or any company the Company does business with are prohibited from purchasing or selling the securities of those companies. "Material non-public information" is generally considered to be information, positive or negative, not available to the general public that would be expected to affect the decision of a reasonable investor contemplating whether to purchase, sell or hold Company securities. Information may be material for this purpose even if it would not alone determine the investor's decision. Whether particular information is "material" at a particular time may involve complex factual and legal analysis, and an individual should consider as material any information that would be important enough to affect a decision to buy or sell Company securities.

It is against Company policy, and possibly illegal as well, to trade the Company's securities or the securities of any other company in a way which attempts to hide the true identity of the trader or to mislead others as to exactly who is doing the trading. Any Trading Representative trading in the Company's securities or the securities of other companies, using fictitious names, names of relatives or friends, or brokerage accounts under fictitious names located in foreign jurisdictions shall be subject to immediate disciplinary action. Should the Company discover any such trading, it will disclose it to the appropriate authorities.

Anyone who is uncertain as to whether a proposed transaction in Company securities or the securities of other companies would violate the Company's insider trading procedures should consult with the Chief Compliance Officer before engaging in it.

Technology Policy

The Company reserves the broadest possible rights to ensure that all electronic communication systems, including electronic mail ("e-mail"), instant messaging ("IM"), voice mail, internet access and faxes, computers, peripherals and related software ("business tools") are provided by the Company and used by Trading Representatives to perform their job responsibilities in the most

productive and efficient manner. E-mail, IM and Internet access are provided to conduct official Company business. Limited and incidental use not related to Company business must be kept to a reasonable level consistent with what would be appropriate for personal phone calls or personal e-mail usage. Users with Internet access must abide by all software license agreements, copyright laws, trademark laws, patent laws, intellectual property laws, and applicable State and Federal laws. Communications systems are the sole property of the Company and not the individual property of Trading Representatives. As such, Trading Representatives should not consider any information created or disseminated through the use of communication systems to be private. The Company reserves the right to inspect and monitor all business tools for compliance at any time.

All computer systems are password protected. Each user is responsible for preserving the security of their password, workstation, and company data, which includes periodic password changes. Users are responsible for the activity performed with the User ID, whether or not they executed the task.

No user shall access another user's communication systems without express permission from the senior officer of the business unit to do so. Such permission is not necessary in the event of an audit, or other Company action referred to above.

Further written policies regarding technology matters are available from the Chief Compliance Officer.

Policies Governing the Reporting of Trade Data to Index Developers

Consistent with its general policy to support the development and publication of natural gas price indices, as well as the general standards embodied herein, it is the Company's policy to furnish accurate, complete and timely trade data to approved index developers in accordance with the following principles:

- **Confidentiality** - Trade data will be submitted only where protected by a confidentiality agreement with the index developer.
- **Separation from Trading Function** - The Director – Risk Management, NJR Service Corporation is responsible for reporting trade data to index developers, for verifying the accuracy and completeness of such data, and for supervising the Company's involvement in trade data reporting. No Trading Representatives directly involved in the trading of natural gas shall be involved in the reporting process.
- **Data Reported** - Only bilateral, arm's-length transactions in the physical markets with non-affiliates are reported. Financial hedges, financial transactions, or swaps or exchanges of gas are not reported. For each transaction, the Company endeavors to report all key terms of the transaction separately, including (a) price; (b) volume; (c) buy/sell indicator; (d) delivery/receipt location; (e) transaction date and time; and (f) term (next day or next month), but does not disclose the identity of the counterparty.
- **Error Resolution** - The Company strives to report errors promptly as they are identified and to cooperate with the error resolution processes and timelines adopted by the index developers

to which the Company reports in order to resolve any identified errors or discrepancies in reported data. The Director – Risk Management is responsible for error resolution.

- **Data Retention** - The Company retains data relating to reported trades for not less than the period required by applicable FERC rules (currently, five years).
- **Audit** - At least once annually, either an external or internal auditor independent from the Company's trading and reporting departments and personnel will review the Company's data gathering and submission process. The Company will make the results of these audits available to the index developers to which the Company submits trade data, and allow the index developers to recommend changes to improve the accuracy and timeliness of the Company's data reporting.

Policies Prohibiting the Dissemination of Non-Public Transmission Function Information

Consistent with the FERC Standards of Conduct for Transmission Providers as they apply to affiliates of a "transmission provider" performing "marketing functions", Trading Representatives actively and personally engaged in marketing functions are prohibited from receiving non-public "transmission function information" from any source regarding any transmission provider affiliated with the Company.

All officers, directors and employees of the Company are prohibited from acting as a conduit for the disclosure of non-public transmission function information to Trading Representatives actively and personally engaged in marketing functions.

As used in this Code of Conduct, "marketing functions" means the sale for resale in interstate commerce, or the submission of offers or bids to buy or sell natural gas or capacity, demand response, virtual gas supply or demand in interstate commerce; "transmission function information" means information relating to the natural gas transportation, storage, exchange, backhaul, or displacement services operations and the planning, directing, organizing or carrying out of such transmission operations, including the granting and denying of transmission service requests; and "transmission provider" has the meaning given to it by FERC in Part 358 of its regulations, and includes any FERC-regulated interstate natural gas pipeline or storage provider that transports or stores gas for others pursuant to FERC regulations, but does not include any natural gas storage provider authorized by FERC to charge market-based rates. Furthermore, transmission providers affiliated with the Company do not include any transmission provider of which the Company owns, controls or holds with power to vote less than 10 percent of the outstanding voting securities.

Reviewed April 7, 2017