



**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) all other policies of the Company and the New Jersey Resources Corporation Code of Conduct, which are 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. If there is any inconsistency between this wholesale natural gas transactions Code of Conduct and the New Jersey Resources Corporation Code of Conduct, the New Jersey Resources Corporation Code of Conduct shall control.

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 and approved 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.

- **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.

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