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As filed with the Securities and Exchange Commission on September 9, 2019

Registration No. 333-

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

FORM S-3
REGISTRATION STATEMENT
UNDER THE SECURITIES ACT OF 1933

SOUTH JERSEY INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

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

22-1901645
(I.R.S. Employer Identification Number)

1 South Jersey Plaza
Folsom, New Jersey 08037
(609) 561-9000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Michael J. Renna
Director, President and Chief Executive Officer
South Jersey Industries, Inc.
1 South Jersey Plaza
Folsom, New Jersey 08037
(609) 561-9000
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

Melissa Orsen
Senior Vice President and
General Counsel
South Jersey Industries, Inc.
1 South Jersey Plaza
Folsom, New Jersey 08037 (609) 561-9000

Andrew L. Fabens
Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, New York 10166
(212) 351-4000

Approximate date of commencement of proposed sale to the public: From time to time after effectiveness of this post-effective amendment.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box:

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box:

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the 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 7(a)(2)(B) of Securities Act.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered ⁽¹⁾	Amount to be registered ⁽²⁾	Proposed maximum offering price per unit ⁽²⁾	Proposed maximum aggregate offering price ⁽²⁾	Amount of registration fee ⁽²⁾
Senior debt securities				
Subordinated debt securities				
Junior subordinated debt securities				
Common stock, par value \$1.25 per share				
Preference stock, no par value				
Warrants				
Depository shares ⁽³⁾				
Purchase contracts				
Units				

(1) Any securities registered hereunder may be sold separately or as units with other securities registered hereunder.

- (2) Omitted pursuant to General Instruction II.E of Form S-3. An indeterminate aggregate offering price or number of securities of each identified class is being registered as may from time to time be offered at indeterminate prices. Separate consideration may or may not be received for securities that are issuable on exercise, conversion or exchange of other securities. In accordance with Rules 456(b) and 457(r), the registrant is deferring payment of all of the registration fee.
 - (3) Each depository share will be issued under a deposit agreement and will be evidenced by a depository receipt.
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PROSPECTUS



SOUTH JERSEY INDUSTRIES, INC.

**SENIOR DEBT SECURITIES
SUBORDINATED DEBT SECURITIES
JUNIOR SUBORDINATED DEBT SECURITIES
COMMON STOCK
PREFERENCE STOCK
WARRANTS
DEPOSITORY SHARES
PURCHASE CONTRACTS
UNITS**

We may from time to time offer to sell our senior, subordinated or junior subordinated debt securities, common stock or preference stock, either separately or represented by warrants, depositary shares or purchase contracts, as well as units that include any of these securities or securities of other entities. The senior, subordinated or junior subordinated debt securities may consist of debentures, notes or other types of debt. Our common stock is listed on the New York Stock Exchange and trades under the ticker symbol "SJI." Each prospectus supplement will indicate if the securities offered thereby will be listed on any securities exchange. The senior, subordinated or junior subordinated debt securities, preference stock, warrants and purchase contracts may be convertible or exercisable or exchangeable for common or preference stock or other securities of ours or debt or equity securities of one or more other entities.

We may offer and sell these securities to or through one or more underwriters, dealers and agents, or directly to purchasers, on a continuous or delayed basis. These securities also may be resold by security holders. We will provide specific terms of any securities to be offered in supplements to this prospectus. Any prospectus supplement may also add, update or change information contained in this prospectus. You should read this prospectus and the applicable prospectus supplement carefully before you invest.

Our principal executive offices are located at 1 South Jersey Plaza, Folsom, New Jersey 08037. Our telephone number is (609) 561-9000.

Investing in our securities involves certain risks. See the “Risk Factors” section of our filings with the Securities and Exchange Commission and the applicable prospectus supplement. Also see “Risk Factors” on page 5.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is September 9, 2019

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We have not authorized anyone to provide you with information that is different from what is contained or incorporated by reference in this prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus or a prospectus supplement is accurate as of any date other than the date on the front of the document.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission (the “SEC”), utilizing a “shelf” registration process. By using a shelf registration statement, we may sell, at any time and from time to time in one or more offerings, any combination of the securities described in this prospectus.

This prospectus provides a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement containing specific information about the terms of that offering. The prospectus supplement may include a discussion of any risk factors or other special considerations applicable to that offering. The prospectus supplement also may add, update or change information in this prospectus. If there is any inconsistency between the information in this prospectus and any prospectus supplement, you should rely on the information in the prospectus supplement. You should read both this prospectus and any prospectus supplement together with the additional information described under the heading “Where You Can Find More Information.”

The registration statement containing this prospectus, including the exhibits to the registration statement, provides additional information about us and the securities offered under this prospectus. The exhibits to the registration statement contain the full text of certain contracts and other important documents summarized in this prospectus. You should review the full text of these documents because the summaries may not contain all the information that you may find important in deciding whether to purchase the securities we offer. The registration statement, including the exhibits, can be read at the SEC’s website or at the SEC’s offices as indicated under the heading “Where You Can Find More Information.”

Unless we otherwise specify or the context otherwise requires, references in this prospectus to “SJI,” the “Company,” the “registrant,” “we,” “us,” and “our” refer to South Jersey Industries, Inc. and its consolidated subsidiaries.

WHERE YOU CAN FIND MORE INFORMATION

We file annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy and information statements and amendments to reports filed or furnished pursuant to Sections 13(a), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The SEC also maintains an Internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding South Jersey Industries, Inc. and other issuers that file electronically with the SEC electronically. Copies of our periodic and current reports and proxy statements also may be obtained, free of charge, on the “Investors” section of our website at <http://www.sjindustriesinc.com>. This reference to our Internet address is for informational purposes only and shall not, under any circumstances, be deemed to incorporate the information available at or through such Internet address into this prospectus.

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INCORPORATION BY REFERENCE

The SEC allows us to “incorporate by reference” information into this prospectus, which means that we can disclose important information to you by referring to those documents. We hereby incorporate by reference the documents listed below. Information that we file later with the SEC will automatically update and in some cases supersede this information. Specifically, we incorporate by reference the following documents or information filed with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

- our Annual Report on Form 10-K for the year ended December 31, 2018 filed with the SEC on [February 28, 2019](#), including information specifically incorporated by reference into our Annual Report on Form 10-K from our definitive proxy statement for our 2019 Annual Meeting of Shareholders on Schedule 14A filed with the SEC on [March 15, 2019](#);
- our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2019 and June 30, 2019 filed with the SEC on [May 8, 2019](#) and [August 8, 2019](#), respectively;
- our Current Reports on Form 8-K filed with the SEC on [September 12, 2018](#) (exhibits 99.2 and 99.3 only), [January 3, 2019](#), [January 15, 2019](#), [January 17, 2019](#), [January 18, 2019](#), [February 8, 2019](#), [March 5, 2019](#), [March 6, 2019](#), [March 26, 2019](#), [April 12, 2019](#), [May 1, 2019](#), [May 30, 2019](#), [June 12, 2019](#) and [September 9, 2019](#);
- the description of our common stock contained in our Registration Statement on Form 8-B (File No. 1-3990); and
- future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and before the termination of the offering of the securities made under this prospectus; *provided, however,* that we are not incorporating by reference any documents or information, including parts of documents that we file with the SEC, that are deemed to be furnished and not filed with the SEC. Unless specifically stated to the contrary, none of the information we disclose under Items 2.02 or 7.01 of any Current Report on Form 8-K that we may from time to time furnish to the SEC will be incorporated by reference into, or otherwise included in, this prospectus.

We will provide, without charge, to each person to whom a copy of this prospectus has been delivered, including any beneficial owner, a copy of any and all of the documents referred to herein that are summarized in and incorporated by reference into this prospectus, if such person makes a written or oral request directed to:

South Jersey Industries, Inc.
Attention: Corporate Secretary
1 South Jersey Plaza
Folsom, New Jersey 08037
(609) 561-9000

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including information incorporated by reference, contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995.

All statements other than statements of historical fact, including statements regarding guidance, industry prospects or future results of operations or financial position, expected sources of incremental margin, strategy, financing needs, future capital expenditures and the outcome or effect of ongoing litigation, are forward-looking. We use words such as “anticipate,” “believe,” “expect,” “estimate,” “forecast,” “goal,” “intend,” “objective,” “plan,” “project,” “seek,” “strategy,” “target,” “will” and similar expressions to identify forward-looking statements. These forward-looking statements are based on the beliefs and assumptions of our management at the time that these statements were prepared and are inherently uncertain. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements. These risks and uncertainties include, but are not limited to, general economic conditions on an international, national, state and local level; weather conditions in our marketing areas; changes in commodity costs; changes in the availability of natural gas; “non-routine” or “extraordinary” disruptions in our distribution system; regulatory, legislative and court decisions; competition; the availability and cost of capital; costs and effects of legal proceedings and environmental liabilities; the failure of customers, suppliers or business partners to fulfill their contractual obligations; and changes in business strategies.

These risks and uncertainties, as well as other risks and uncertainties that could cause our actual results to differ materially from those expressed in the forward-looking statements, are described in greater detail under the heading “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2018 and in our other SEC filings incorporated by reference into this prospectus. No assurance can be given that any goal or plan set forth in any forward-looking statement can or will be achieved, and readers are cautioned not to place undue reliance on such statements, which speak only as of the date they are made. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law, you are advised to consult any additional disclosures we make in our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the SEC. See “Where You Can Find More Information.”

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ABOUT THE REGISTRANT

South Jersey Industries, Inc. (“SJI”), a New Jersey corporation, was formed in 1969 for the purpose of owning and holding all of the outstanding common stock of South Jersey Gas Company, a public utility, and acquiring and developing non-utility lines of business.

SJI provides a variety of energy-related products and services, primarily through the following wholly-owned subsidiaries:

- SJI Utilities, Inc. (“SJIU”) is a holding company that owns South Jersey Gas Company (“SJG”), and as of July 1, 2018, Elizabethtown Gas Company (“ETG”) and Elkton Gas Company (“ELK”).
 - SJG is an operating public utility company engaged in the purchase, transmission and sale of natural gas for residential, commercial and industrial use.
 - ETG is a regulated natural gas utility which distributes natural gas in seven counties in northern and central New Jersey.
 - ELK is a regulated natural gas utility which distributes natural gas in northern Maryland.
- South Jersey Energy Company (“SJE”) provides services for the acquisition and transportation of electricity for retail end users and markets total energy management services. In November 2018, SJI sold SJE’s retail gas businesses.
- South Jersey Resources Group LLC markets natural gas storage, commodity and transportation assets along with fuel management services on a wholesale basis in the mid-Atlantic, Appalachian and southern states.
- SJ Exploration, LLC owns oil, gas and mineral rights in the Marcellus Shale region of Pennsylvania.
- Marina Energy LLC develops and operates on-site energy-related projects. The significant wholly-owned subsidiaries of Marina include:
 - ACB Energy Partners, LLC, which owns and operates a natural gas fueled combined heating, cooling and power facility located in Atlantic City, New Jersey.
 - AC Landfill Energy, LLC, BC Landfill Energy, LLC, SC Landfill Energy, LLC and SX Landfill Energy, LLC, which owns and operates landfill gas-to-energy production facilities in Atlantic, Burlington, Salem and Sussex Counties in New Jersey.
- South Jersey Energy Service Plus, LLC receives commissions on service contracts from a third party.
- SJI Midstream, LLC invests in infrastructure and other midstream projects, including a current project to build an approximately 118-mile natural gas pipeline in Pennsylvania and New Jersey.

Our general mailing address is 1 South Jersey Plaza, Folsom, NJ 08037, and our telephone number is (609) 561-9000.

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RISK FACTORS

Investing in our securities involves risk. Before you decide whether to purchase any of our securities, in addition to the other information, documents or reports included in or incorporated by reference into this prospectus and any accompanying prospectus supplement or other offering materials, you should carefully consider the risk factors in the section entitled “Risk Factors” in any prospectus supplement as well as our most recent Annual Report on Form 10-K and our most recent, and any future, Quarterly Reports on Form 10-Q incorporated by reference into this prospectus and any prospectus supplement in their entirety, as the same may be amended, supplemented or superseded from time to time by our filings under the Exchange Act. For more information, see “Where You Can Find More Information.” These risks could materially and adversely affect our business, results of operations and financial condition and could result in a partial or complete loss of your investment.

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USE OF PROCEEDS

Unless otherwise stated in the applicable prospectus supplement, we will use the proceeds of any offering for general corporate purposes, which may include investments, working capital, investments in our subsidiaries and capital expenditures. Net proceeds may be temporarily invested prior to use.

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DESCRIPTION OF SENIOR DEBT SECURITIES AND SUBORDINATED DEBT SECURITIES

The following is a general description of the debt securities that we may offer from time to time. The particular terms of the debt securities offered by any prospectus supplement and the extent, if any, to which the general provisions described below may apply to those securities will be described in the applicable prospectus supplement. We also may sell hybrid securities that combine certain features of debt securities and other securities described in this prospectus. As you read this section, please remember that the specific terms of a debt security as described in the applicable prospectus supplement will supplement and may modify or replace the general terms described in this section. If there are any differences between the applicable prospectus supplement and this prospectus, the applicable prospectus supplement will control. As a result, the statements we make in this section may not apply to the debt security you purchase.

South Jersey Industries, Inc. will be the issuer of any debt securities we may offer and references to “we,” “our,” or “us” in this description do not, unless the context otherwise indicates, include any of its subsidiaries. Capitalized terms used but not defined in this section have the respective meanings set forth in the applicable indenture.

General

The debt securities that we may offer will be either senior debt securities or subordinated debt securities or junior subordinated debt securities. For a description of the junior subordinated debt securities, see “Description of Junior Subordinated Debt Securities.” Any senior debt securities will be issued under an indenture, which we refer to as the senior indenture, to be entered into between us and the trustee named in the applicable prospectus supplement. Any subordinated debt securities will be issued under an indenture, which we refer to as the subordinated indenture, to be entered into between us and the trustee named in the applicable prospectus supplement. We refer to the senior indenture and the subordinated indenture, collectively, as the “indentures,” and to each of the trustees under the indentures as a “trustee.” The terms of each series of debt securities will be set forth in a resolution of the board of directors of the Company, an officers’ certificate or by a supplemental indenture. You should read the indentures, including any amendments or supplements or any officers’ certificate setting forth the terms of any series of notes, carefully to fully understand the terms of the debt securities. The forms of the indentures have been filed as exhibits to the registration statement of which this prospectus is a part. The indentures are subject to, and are governed by, the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”).

- Any senior debt securities that we may issue will be our unsubordinated obligations. They will rank equally with each other and all of our other unsubordinated debt, unless otherwise indicated in the applicable prospectus supplement. The particular terms of each series of debt securities will be more fully described in the applicable prospectus supplement relating to the debt securities offered thereby.
- Any subordinated debt securities that we may issue will be subordinated in right of payment to the prior payment in full of our senior debt. The subordinated debt securities will rank equally with each other, unless otherwise indicated in the applicable prospectus supplement. We will indicate in each applicable prospectus supplement, as of the most recent practicable date, the aggregate amount of our outstanding debt that would rank senior to the subordinated debt securities. See “Subordination of Subordinated Debt Securities.” The particular terms of each series of subordinated debt securities will be more fully described in the applicable prospectus supplement relating to the subordinated debt securities offered thereby.

The indentures do not limit the amount of debt securities that can be issued thereunder and provide that debt securities of any series may be issued thereunder up to the aggregate principal amount that we may authorize from time to time. Unless otherwise provided in the applicable prospectus supplement, the indentures do not limit the amount of other indebtedness or securities that we may issue. We may issue debt securities of the same series at more than one time and, unless prohibited by the terms of the series, we may reopen a series for issuances of additional debt securities without the consent of the holders of the outstanding debt securities of that series. All debt securities issued as a series, including those issued pursuant to any reopening of a series, will vote together as a single class.

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Reference is made to the prospectus supplement for the following and other possible terms of each series of the debt securities with respect to which this prospectus is being delivered:

- the title of the debt securities;
- any limit upon the aggregate principal amount of the debt securities of the series that may be authenticated and delivered under the applicable indenture, except for debt securities authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, other debt securities of that series;
- the date or dates on which the principal and premium, if any, of the debt securities of the series is payable;
- the rate or rates, which may be fixed or variable, at which the debt securities of the series shall bear interest or the manner of calculation of such rate or rates, if any, including any procedures to vary or reset such rate or rates, and the basis upon which interest will be calculated if other than that of a 360-day year of twelve 30-day months;
- the place or places where the principal of, and premium, if any, and interest on, the debt securities of the series shall be payable, where the debt securities of such series may be surrendered for registration of transfer or exchange and where notices and demands to or upon us with respect to the debt securities of such series and the applicable indenture may be served, and the method of such payment, if by wire transfer, mail or other means if other than as set forth in the applicable indenture;
- the date or dates from which such interest shall accrue, the dates on which such interest will be payable or the manner of determination of such dates, and the record date for the determination of holders to whom interest is payable on any such dates;
- any trustees, authenticating agents or paying agents with respect to such series, if different from those set forth in the applicable indenture;
- the right, if any, to extend the interest payment periods or defer the payment of interest and the duration of such extension or deferral;
- the period or periods within which, the price or prices at which and the terms and conditions upon which, debt securities of the series may be redeemed, in whole or in part, at our option;
- our obligation, if any, to redeem, purchase or repay debt securities of the series pursuant to any sinking fund or analogous provisions, including payments made in cash in anticipation of future sinking fund obligations, or at the option of a holder thereof and the period or periods within which, the price or prices at which, and the terms and conditions upon which, debt securities of the series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligation;
- the form of the debt securities of the series including the form of the trustee's certificate of authentication for such series;
- if other than denominations of \$2,000 or integral multiples of \$1,000 in excess thereof, the denominations in which the debt securities of the series shall be issuable;
- the currency or currencies in which payment of the principal of, premium, if any, and interest on, debt securities of the series shall be payable;
- if the principal amount payable at the stated maturity of debt securities of the series will not be determinable as of any one or more dates prior to such stated maturity, the amount which will be deemed to be such principal amount as of any such date for any purpose, including the portion of the principal amount thereof that will be due and payable upon declaration of acceleration of the maturity thereof or upon any maturity other than the stated maturity or that will be deemed to be outstanding as of any such date, or, in any such case, the manner in which such deemed principal amount is to be determined;
- the terms of any repurchase or remarketing rights;

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- if the debt securities of the series shall be issued in whole or in part in the form of a global security or securities, the type of global security to be issued; the terms and conditions, if different from those contained in the applicable indenture, upon which such global security or securities may be exchanged in whole or in part for other individual securities in definitive registered form; the depositary for such global security or securities; and the form of any legend or legends to be borne by any such global security or securities in addition to or in lieu of the legends referred to in the indenture;
- whether the debt securities of the series will be convertible into or exchangeable for other securities, and, if so, the terms and conditions upon which such debt securities will be so convertible or exchangeable, including the initial conversion or exchange price or rate or the method of calculation, how and when the conversion price or exchange ratio may be adjusted, whether conversion or exchange is mandatory, at the option of the holder or at our option, the conversion or exchange period, and any other provision in addition to or in lieu of those described herein;
- any additional restrictive covenants or events of default that will apply to the debt securities of the series, or any changes to the restrictive covenants set forth in the applicable indenture that will apply to the debt securities of the series, which may consist of establishing different terms or provisions from those set forth in the applicable indenture or eliminating any such restrictive covenant or event of default with respect to the debt securities of the series;
- any provisions granting special rights to holders when a specified event occurs;
- if the amount of principal or any premium or interest on debt securities of a series may be determined with reference to an index or pursuant to a formula, the manner in which such amounts will be determined;
- any special tax implications of the debt securities, including provisions for original issue discount securities, if offered;
- whether and upon what terms debt securities of a series may be defeased if different from the provisions set forth in the applicable indenture;
- with regard to the debt securities of any series that do not bear interest, the dates for certain required reports to the trustee;
- whether the debt securities of the series will be issued as unrestricted securities or restricted securities, and, if issued as restricted securities, the rule or regulation promulgated under the Securities Act of 1933, as amended (the "Securities Act") in reliance on which they will be sold;
- any guarantees on the debt securities;
- the provisions, if any, relating to any security provided for the debt securities of the series;
- any depositaries, interest rate calculation agents, exchange rate calculation agents or other agents with respect to debt securities of such series if other than those appointed in the applicable indenture;
- if the debt securities are subordinated debt securities, the subordination terms of the subordinated debt securities; and
- any and all additional, eliminated or changed terms that shall apply to the debt securities of the series, including any terms that may be required by or advisable under United States laws or regulations, including the Securities Act and the rules and regulations promulgated thereunder, or advisable in connection with the marketing of debt securities of that series.

We will comply with Section 14(e) under the Exchange Act, to the extent applicable, and any other tender offer rules under the Exchange Act that may then be applicable, in connection with any obligation to purchase debt securities at the option of the holders thereof. Any such obligation applicable to a series of debt securities will be described in the prospectus supplement relating thereto.

The statements made hereunder relating to the indentures and any debt securities that we may issue are summaries of certain provisions thereof and are qualified in their entirety by reference to all provisions of the indentures and the debt securities and the descriptions thereof, if different, in the applicable prospectus supplement.

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Subordination of Subordinated Debt Securities

We will set forth in the applicable prospectus supplement the terms and conditions, if any, upon which any series of subordinated debt securities is subordinated to debt securities of another series or to our other indebtedness. The terms will include a description of:

- the indebtedness ranking senior to the subordinated debt securities being offered;
- the restrictions, if any, on payments to the holders of the subordinated debt securities being offered while a default with respect to the senior indebtedness is continuing; and
- the provisions requiring holders of the subordinated debt securities being offered to remit some payments to the holders of senior indebtedness.

Redemption

If specified in the applicable prospectus supplement, we may redeem the debt securities of any series, as a whole or in part, at our option on and after the dates and in accordance with the terms established for such series, if any, in the applicable prospectus supplement. If we redeem the debt securities of any series, we also must pay accrued and unpaid interest, if any, to the date of redemption on such debt securities.

Selection and Notice

If less than all of the debt securities of a series are to be redeemed at any time, the trustee will select the debt securities of such series for redemption by lot, based on the applicable procedures of The Depository Trust Company (“DTC”).

No debt securities in principal amount of \$2,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail (in case of notes held in book entry form, by electronic transmission) at least 30 but not more than 60 days before the redemption date to each holder of debt securities of such series to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the debt securities of such series or a satisfaction and discharge of the indenture.

If any debt security is to be redeemed in part only, the notice of redemption that relates to that debt security will state the portion of the principal amount of that debt security that is to be redeemed. For debt securities issued in certificated form, a new certificate in principal amount equal to the unredeemed portion of the original debt security will be issued in the name of the holder of the original debt security upon cancellation of the original debt security. Debt securities called for redemption become due on the date fixed for redemption. Unless we default in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the debt securities or portions of the debt securities called for redemption.

The trustee will not be liable for selections made by it as contemplated in this section. For any debt securities which are represented by global securities held on behalf of DTC, the Euroclear System (“Euroclear”) or Clearstream Banking S.A. (“Clearstream”), notices may be given by delivery of the relevant notices to DTC, Euroclear or Clearstream for communication to entitled account holders in substitution for the aforesaid mailing.

Whether or not required by the rules and regulations of the SEC, so long as any debt securities are outstanding, we shall file with the trustee, within the time periods specified by the SEC’s rules and regulations, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may from time to time by rules and regulations prescribe) that we would be required to file with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act. We shall be deemed to have complied with the previous sentence to the extent that such information, documents and reports are filed with the SEC via EDGAR, or any successor electronic delivery procedure. Delivery of such reports, information and documents to the trustee is for informational purposes only, and the trustee’s receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including our compliance with any covenants under the indenture (as to which the trustee is entitled to rely exclusively on officers’ certificates).

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Events of Default

The following will be “Events of Default” with respect to debt securities of a particular series, except to the extent provided in the supplemental indenture, officers’ certificate or resolution of our board of directors pursuant to which a series of debt securities is issued:

- failure to pay any interest on any of the debt securities of such series within 30 days after such interest becomes due and payable;
- failure to pay principal of (or premium, if any, on) any of the debt securities of such series at maturity, or if applicable, the redemption price, when the same becomes due and payable by the terms of the debt securities of such series;
- failure to pay any sinking fund installment as and when the same shall become due and payable by the terms of the debt securities of such series, and continuance of such default for a period of 30 days;
- failure to comply with any of the covenants or agreements in any of the debt securities of such series or the indenture (other than an agreement or covenant that we included in the indenture solely for the benefit of another series of debt securities) for 90 days after there has been given, by registered or certified mail, to us by the trustee or to us by the holders of at least 25% in principal amount of all outstanding debt securities of a series affected by that failure, a written notice specifying such failure and requiring it to be remedied and stating that such notice is a “notice of default” under the indenture;
- certain events involving our bankruptcy, insolvency or reorganization; and
- any other Event of Default provided in the supplemental indenture, officers’ certificate or resolution of our board of directors under which such series of debt securities is issued or in the form of security for such series.

A default under one series of debt securities issued under the indenture will not necessarily be a default under another series of debt securities under the indenture. The trustee may withhold notice to the holders of a series of debt securities issued under such indenture of any default or event of default (except in any payment on the debt securities of such series) if the trustee considers it in the interest of the holders of the debt securities of that series to do so.

If an event of default for a series of debt securities occurs and is continuing, the trustee or the holders of at least 25% in principal amount of the debt securities of that series may require us to pay immediately the principal amount plus accrued and unpaid interest on all the debt securities of that series. If an event of default relating to certain events of bankruptcy, insolvency or reorganization occurs with respect to us, the principal amount plus accrued and unpaid interest on the debt securities of that series will become immediately due and payable without any action on the part of the trustee or any holder. The holders of a majority in principal amount of the debt securities of such series then outstanding may in some cases rescind this accelerated payment requirement.

A holder of debt securities of any series may pursue any remedy under the indenture applicable to the debt securities of that series only if:

- the holder gives the trustee written notice of a continuing event of default;
- the holders of at least 25% in principal amount of the debt securities of such series then outstanding make a written request to the trustee to pursue the remedy;
- the holder furnishes to the trustee indemnity and/or security satisfactory to the trustee against loss, liability or expense;
- the trustee fails to act for a period of 60 days after receipt of notice and furnishing of indemnity and/or security; and
- during that 60-day period, the holders of a majority in principal amount of the debt securities of that series do not give the trustee a direction inconsistent with the request.

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This provision does not, however, affect the right of any holder to sue for enforcement of any overdue payment with respect to the debt securities of such series. In most cases, holders of a majority in principal amount of the debt securities of any series then outstanding may direct the time, method and place of:

- conducting any proceeding for any remedy available to the trustee with respect to the debt securities of such series; and
- exercising any trust or power conferred on the trustee not relating to or arising under an event of default with respect to the debt securities of such series.

The indenture will require us to file with the trustee each year a written statement as to our compliance with the covenants contained in the indenture, and we are required upon becoming aware of any default or Event of Default, to deliver to the trustee a written statement specifying such default or Event of Default.

Covenants

Unless we indicate otherwise in the applicable prospectus supplement, the debt securities will not contain any covenants or other provisions designed to protect holders of the debt securities in the event of a highly leveraged transaction.

Consolidation, Merger or Sale

We will covenant not to consolidate with or merge into any other person or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of our and our subsidiaries', taken as a whole, assets to any person unless either we are the surviving corporation or the resulting, surviving or transferee entity is a corporation organized under the laws of the United States or, if such person is not a corporation, a co-obligor of the notes is a corporation organized under any such laws, and any successor or purchaser expressly assumes our obligations under the debt securities by an indenture supplemental to the indenture, and immediately after which, no event of default, and no event which, after notice or lapse of time, or both, would become an event of default, shall have occurred and be continuing. An officers' certificate and an opinion of counsel will be delivered to the trustee, which will serve as conclusive evidence of compliance with these provisions.

Modification and Waiver

Except as provided in the next two succeeding paragraphs, the indenture or the debt securities of any series may be amended or supplemented, and waivers may be obtained, with the consent of the holders of at least a majority in aggregate principal amount of the debt securities of the applicable series at the time outstanding (including, without limitation, additional debt securities of such series, if any) voting as a single class (including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, debt securities of such series), and any existing default or Event of Default (other than a default or Event of Default in the payment of the principal of, premium on, if any, or interest on, debt securities of such series, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of such indenture or the applicable debt securities may be waived with the consent of the holders of at least a majority in aggregate principal amount of the debt securities of the applicable series at the time outstanding (including, without limitation, additional debt securities of such series, if any) voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, such series). Without the consent of each holder of outstanding debt securities affected thereby, an amendment, supplement or waiver may not (with respect to any debt securities held by a non-consenting holder):

- reduce the percentage in principal amount of debt securities, the consent of whose holders is required for any amendment, supplement or waiver;
- reduce the rate of or change the time for payment of interest on the debt securities;
- reduce the principal or change the stated maturity of any debt securities of any series;
- reduce any premium payable on the redemption of any debt security, change the time at which any debt security may or must be redeemed or alter or waive any of the provisions with respect to the redemption of such debt securities;

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- make payments on any debt security payable in currency other than as originally stated in such debt security; impair the holder's right to institute suit for the enforcement of any payment on any debt security; or
- waive a continuing default or event of default regarding any payment on the debt securities.

Notwithstanding the preceding, without the consent of any holder of debt securities, we and the trustee may amend or supplement the indenture or the applicable debt securities in certain circumstances, including:

- to cure any ambiguity, omission, defect or inconsistency;
- to provide for the assumption of our obligations under the indenture by a successor or transferee upon any merger, consolidation or asset transfer;
- to provide for uncertificated debt securities in addition to or in place of certificated debt securities;
- to provide any security for or guarantees of the debt securities or for the addition of an additional obligor on the debt securities;
- to comply with any requirement to effect or maintain the qualification of the indenture under the Trust Indenture Act, if applicable;
- to add covenants that would benefit the holders of any outstanding series of debt securities or to surrender any of our rights under the indenture;
- to add additional Events of Default with respect to any series of debt securities;
- to change or eliminate any of the provisions of the indenture; provided that any such change or elimination shall not become effective with respect to any outstanding debt security of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision;
- to provide for the issuance of and establish forms and terms and conditions of a new series of debt securities;
- to facilitate the defeasance and discharge of any series of debt securities otherwise in accordance with the defeasance provisions of the indenture; provided that any such action does not adversely affect the rights of any holder of outstanding debt securities of such series in any material respect;
- to issue additional debt securities of any series; provided that such additional debt securities have the same terms as, and be deemed part of the same series as, the applicable series of debt securities to the extent required under the indenture;
- to make any change that does not adversely affect the rights of any holder of outstanding debt securities in any material respect; or
- to evidence and provide for the acceptance of appointment by a successor trustee with respect to the debt securities of one or more series and to add to or change any of the provisions of the indenture as shall be necessary to provide for or facilitate the administration of the trust by more than one trustee.

The holders of not less than majority in principal amount of the debt securities of each series then outstanding may on behalf of the holders of all of the debt securities of such series waive any past default with respect to those debt securities, except a default in the payment of the principal of or interest on any debt security of such series (provided, that the holders of a majority in principal amount of the debt securities of each series then outstanding may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration).

A supplemental indenture that changes or eliminates any covenant, Event of Default or other provision of the indenture that has been expressly included solely for the benefit of one or more particular series of securities, if any, or which modifies the rights of the holders of securities of such series with respect to such covenant, Event of Default or other provision, shall be deemed not to affect the rights under the indenture of the holders of securities of any other series that does not have the benefit of such covenant, Event of Default or other provision. It will not be necessary for the consent of the holders to approve the particular form of any proposed supplement, amendment or waiver, but it shall be sufficient if such consent approves the substance of it.

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Information Concerning the Trustee

If an Event of Default occurs and is continuing, the trustee will be required to use the degree of care and skill of a prudent person in the conduct of his or her own affairs. The trustee will become obligated to exercise any of its powers under the indenture at the request of any of the holders of any debt securities issued under the indenture in accordance with the terms of the indenture and only after those holders have furnished the trustee indemnity and/or security satisfactory to it.

If the trustee becomes a creditor of ours, it will be subject to limitations in the indenture on its rights to obtain payment of claims or to realize on certain property received for any such claim, as security or otherwise. The trustee is permitted to engage in other transactions with us. If, however, it acquires any conflicting interest, it must eliminate such conflict, resign or obtain an order from the SEC permitting it to remain as trustee.

Paying Agent, Registrar and Transfer Agent

We will maintain one or more paying agents (each, a "Paying Agent") for any debt securities we issue. We, upon written notice to the trustee accompanied by an officers' certificate, may appoint one or more Paying Agents, other than the trustee, for all or any series of such debt securities. If we fail to appoint or maintain another entity as Paying Agent, the trustee shall act as such. We or any of our subsidiaries, upon notice to the trustee, may act as Paying Agent.

We will also maintain one or more registrars (each, a "Registrar"). We, upon written notice to the trustee accompanied by an officers' certificate, may appoint one or more registrars, other than the trustee, for all or any series of debt securities. If we fail to appoint or maintain another entity as registrar, the trustee shall act as such. We or any of our subsidiaries, upon notice to the trustee, may act as registrar.

We will also maintain one or more transfer agents. Each transfer agent shall perform the functions of a transfer agent. We, upon written notice to the trustee accompanied by an officers' certificate, may appoint one or more transfer agents, other than the trustee, for all or any series of debt securities. If we fail to appoint or maintain another entity as transfer agent, the trustee shall act as such. We or any of our subsidiaries, upon notice to the trustee, may act as transfer agent.

The Registrar will maintain a register reflecting ownership of debt securities outstanding from time to time, and the Paying Agents will make payments on and facilitate transfer of debt securities on our behalf. We may change any Paying Agents, Registrars or transfer agents without prior notice to the holders of debt securities.

Governing Law

The indenture and any debt securities issued thereunder shall be deemed to be a contract made under the internal laws of the State of New York, and for all purposes shall be construed in accordance with the laws of the State of New York without regard to conflicts of laws principles that would require the application of any other law. The indenture is subject to the provisions of the Trust Indenture Act that are required to be part of the indenture and shall, to the extent applicable, be governed by such provisions.

Satisfaction and Discharge of Indenture

The indenture shall cease to be of further effect with respect to a series of debt securities when either:

- we have delivered to the trustee for cancellation all outstanding securities of such series, other than any securities that have been destroyed, lost or stolen and that have been replaced or paid as provided in the indenture;
- all outstanding securities of such series that have not been delivered to the trustee for cancellation have become due and payable or are by their terms to become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the trustee for the giving of notice of redemption, and we shall have irrevocably deposited with the trustee as trust funds the entire amount, in cash in U.S. dollars or noncallable U.S. governmental obligations, or a combination thereof, sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay at maturity or upon redemption all securities of such series, including principal of and any premium and interest due or to become due on such date of maturity or date fixed for redemption, as the case may be; or

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- we have properly fulfilled any other means of satisfaction and discharge that may be set forth in the terms of the securities of such series.

In each case, we will also pay all other sums payable by us under the indenture with respect to the securities of such series and deliver to the trustee an opinion of counsel and an officers' certificate, each stating that all conditions precedent to satisfaction and discharge with respect to the securities of such series have been complied with.

Defeasance

The term defeasance means the discharge of some or all of our obligations under the indenture. If we deposit with the trustee funds or U.S. government securities, or a combination thereof, sufficient, in the opinion of a nationally recognized firm of independent accountants, to make payments on any series of debt securities on the dates those payments are due and payable, then, at our option, either of the following will occur:

- we will be discharged from our obligations with respect to the debt securities of such series ("legal defeasance"); or
- we will no longer have any obligation to comply with the restrictive covenants under the indenture, and the related events of default will no longer apply to us ("covenant defeasance").

If we defease any series of debt securities, the holders of the defeased debt securities of such series will not be entitled to the benefits of the indenture under which such series was issued, except for our obligation to register the transfer or exchange of the debt securities of such series, replace stolen, lost or mutilated debt securities or maintain paying agencies and hold moneys for payment in trust. In the case of covenant defeasance, our obligation to pay principal, premium and interest on the debt securities of such series will also survive. We will be required to deliver to the trustee an opinion of counsel that the deposit and related defeasance would not cause the holders of the debt securities of such series to recognize income, gain or loss for federal income tax purposes. If we elect legal defeasance, that opinion of counsel must be based upon a ruling from the United States Internal Revenue Service (the "IRS") or a change in law to that effect.

Book-Entry, Delivery and Form

The debt securities of a series may be issued in whole or in part in the form of one or more global securities that will be deposited with, or on behalf of, a depository identified in the applicable prospectus supplement. Global securities may be issued in registered form and in either temporary or permanent form. Unless otherwise provided in such prospectus supplement, debt securities that are represented by a global security will be issued in denominations of \$2,000 or any integral multiple of \$1,000 in excess thereof and will be issued in registered form only, without coupons.

We anticipate that any global securities will be deposited with, or on behalf of, DTC, and that such global securities will be registered in the name of Cede & Co., DTC's nominee. We further anticipate that the following provisions will apply to the depository arrangements with respect to any such global securities. Any additional or differing terms of the depository arrangements will be described in the prospectus supplement relating to a particular series of debt securities issued in the form of global securities.

Beneficial interests in the global securities will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct or indirect participants in DTC.

Investors may elect to hold their interests in the global securities either (in the United States) through DTC or (in Europe) through Clearstream or through Euroclear. Investors may hold their interests in the global securities directly, if they are participants of such systems, or indirectly through organizations that are participants in these systems. Clearstream and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream's and Euroclear's names on the books of their respective U.S. depositaries, which in turn will hold these interests in customers' securities accounts in the depositaries' names on the books of DTC. Beneficial interests in the global securities will be held in denominations of \$2,000 and multiples of \$1,000 in excess thereof. Except as set forth below, the global securities may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee.

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Debt securities represented by a global security can be exchanged for definitive securities in registered form only if:

- DTC notifies us that it is unwilling or unable to continue as depositary for that global security, and we do not appoint a successor depositary within 90 days after receiving that notice;
- at any time DTC ceases to be a clearing agency registered or in good standing under the Exchange Act, as amended, or other applicable statute or regulation, and we do not appoint a successor depositary within 90 days after becoming aware that DTC has ceased to be registered as a clearing agency; or
- we determine that that global security will be exchangeable for definitive securities in registered form and we notify the trustee of our decision.

A global security that can be exchanged as described in the preceding sentence will be exchanged for definitive securities issued in authorized denominations in registered form for the same aggregate amount. The definitive securities will be registered in the names of the owners of the beneficial interests in the global security as directed by DTC.

We will make principal and interest payments on all debt securities represented by a global security to the Paying Agent which in turn will make payment to DTC or its nominee, as the case may be, as the sole registered owner and the sole holder of the debt securities represented by a global security for all purposes under the indenture. Accordingly, we, the trustee and any Paying Agent will have no responsibility or liability for:

- any aspect of DTC's records relating to, or payments made on account of, beneficial ownership interests in a debt security represented by a global security; or
- any other aspect of the relationship between DTC and its participants or the relationship between those participants and the owners of beneficial interests in a global security held through those participants, or the maintenance, supervision or review of any of DTC's records relating to those beneficial ownership interests.

DTC has advised us that its current practice is to credit participants' accounts on each payment date with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global security as shown on DTC's records, upon DTC's receipt of funds and corresponding detail information. The underwriters or agents for the debt securities represented by a global security will initially designate the accounts to be credited. Payments by participants to owners of beneficial interests in a global security will be governed by standing instructions and customary practices, as is the case with securities held for customer accounts registered in "street name," and will be the sole responsibility of those participants. Book-entry notes may be more difficult to pledge because of the lack of a physical note. So long as DTC or its nominee is the registered owner of a global security, DTC or its nominee, as the case may be, will be considered the sole owner and holder of the debt securities represented by that global security for all purposes of the debt securities. Owners of beneficial interests in the debt securities will not be entitled to have debt securities registered in their names, will not receive or be entitled to receive physical delivery of the debt securities in definitive form and will not be considered owners or holders of debt securities under the indenture. Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of DTC and, if that person is not a DTC participant, on the procedures of the participant through which that person owns its interest, to exercise any rights of a holder of debt securities. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of the securities in certificated form. These laws may impair the ability to transfer beneficial interests in a global security. Beneficial owners may experience delays in receiving distributions on their debt securities since distributions will initially be made to DTC and must then be transferred through the chain of intermediaries to the beneficial owner's account.

We understand that, under existing industry practices, if we request holders to take any action, or if an owner of a beneficial interest in a global security desires to take any action which a holder is entitled to take under the indenture, then DTC would authorize the participants holding the relevant beneficial interests to take that action and those participants would authorize the beneficial owners owning through such participants to take that action or would otherwise act upon the instructions of beneficial owners owning through them.

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Beneficial interests in a global security will be shown on, and transfers of those ownership interests will be effected only through, records maintained by DTC and its participants for that global security. The conveyance of notices and other communications by DTC to its participants and by its participants to owners of beneficial interests in the debt securities will be governed by arrangements among them, subject to any statutory or regulatory requirements in effect.

DTC has advised us that it is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act.

DTC holds the securities of its participants and facilitates the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of its participants. The electronic book-entry system eliminates the need for physical certificates. DTC’s participants include both U.S. and non-U.S. securities brokers and dealers, including underwriters, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the SEC.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

Clearstream

Clearstream has advised us that it is incorporated under the laws of Luxembourg as a professional depositary. Clearstream holds securities for its participating organizations (“Clearstream Participants”), and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Clearstream provides to Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic securities markets in several countries. As a registered bank in Luxembourg, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (Commission de Surveillance du Secteur Financier). Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. In the U.S., Clearstream Participants are limited to securities brokers and dealers and banks. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant either directly or indirectly. Clearstream is an indirect participant in DTC.

Distributions with respect to debt securities held beneficially through Clearstream will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures, to the extent received by the U.S. Depositary for Clearstream.

Euroclear

Euroclear has advised us that it was created in 1968 to hold securities for participants of Euroclear (“Euroclear Participants”), and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear performs various other services, including securities lending and borrowing, and interacts with domestic markets in several countries. The Euroclear System is owned by Euroclear Clearance System Public Limited Company (ECSplc) and operated through Euroclear Bank S.A./N.V. (the “Euroclear Operator”), a bank incorporated under the laws of the Kingdom of Belgium, under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation (the “Cooperative”). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the

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Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks, including central banks, securities brokers and dealers and other professional financial intermediaries. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

The Euroclear Operator advises us that it is regulated and examined by the Belgian banking and Finance Commission and the National Bank of Belgium.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law, herein the "Terms and Conditions." The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no record of or relationship with persons holding through Euroclear Participants.

Distributions with respect to debt securities held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depository for Euroclear.

Euroclear has further advised us that investors that acquire, hold and transfer interests in the debt securities by book-entry through accounts with the Euroclear Operator or any other securities intermediary are subject to the laws and contractual provisions governing their relationship with their intermediary, as well as the laws and contractual provisions governing the relationship between such an intermediary and each other intermediary, if any, standing between themselves and the global securities.

Global Clearance and Settlement Procedures

Initial settlement for the debt securities will be made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System. Secondary market trading between Clearstream Participants and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream Participants or Euroclear Participants, on the other, will be effected through DTC in accordance with DTC rules on behalf of the relevant European international clearing system by its U.S. Depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depository to take action to effect final settlement on its behalf by delivering or receiving debt securities through DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream Participants and Euroclear Participants may not deliver instructions directly to their respective U.S. Depositories.

Because of time-zone differences, credits of debt securities received through Clearstream or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in such debt securities settled during such processing will be reported to the relevant Euroclear Participants or Clearstream Participants on such business day. Cash received in Clearstream or Euroclear as a result of sales of debt securities by or through a Clearstream Participant or a Euroclear Participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

If the debt securities are cleared only through Euroclear and Clearstream (and not DTC), you will be able to make and receive through Euroclear and Clearstream payments, deliveries, transfers, exchanges, notices, and other transactions involving any securities held through those systems only on days when those systems are open

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for business. Those systems may not be open for business on days when banks, brokers, and other institutions are open for business in the United States. In addition, because of time-zone differences, U.S. investors who hold their interests in the securities through these systems and wish to transfer their interests, or to receive or make a payment or delivery or exercise any other right with respect to their interests, on a particular day may find that the transaction will not be effected until the next business day in Luxembourg or Brussels, as applicable. Thus, U.S. investors who wish to exercise rights that expire on a particular day may need to act before the expiration date.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of debt securities among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be modified or discontinued at any time. Neither we nor any paying agent will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective direct or indirect participants of their obligations under the rules and procedures governing their operations.

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DESCRIPTION OF JUNIOR SUBORDINATED DEBT SECURITIES

The following is a general description of the junior subordinated debt securities that we may offer from time to time. The particular terms of the debt securities offered by any prospectus supplement and the extent, if any, to which the general provisions described below may apply to those securities will be described in the applicable prospectus supplement. We also may sell hybrid securities that combine certain features of junior subordinated debt securities and other securities described in this prospectus. As you read this section, please remember that the specific terms of a junior subordinated debt security as described in the applicable prospectus supplement will supplement and may modify or replace the general terms described in this section. If there are any differences between the applicable prospectus supplement and this prospectus, the applicable prospectus supplement will control. As a result, the statements we make in this section may not apply to the junior subordinated debt security you purchase.

General

Any junior subordinated debt securities will be issued under a junior subordinated indenture, which we refer to as the “junior subordinated indenture.” We refer to the trustee under the junior subordinated indenture as a “junior subordinated trustee.” The terms of each series of junior subordinated debt securities will be set forth in a resolution of the board of directors of the Company, an officers’ certificate or by a supplemental indenture. You should read the junior subordinated indenture, including any amendments or supplements or any officers’ certificate setting forth the terms of any series of notes, carefully to fully understand the terms of the junior subordinated debt securities. The junior subordinated indenture has been filed as an exhibit to the registration statement of which this prospectus is a part. The junior subordinated indenture is subject to, and are governed by, the Trust Indenture Act.

We may issue an unlimited amount of junior subordinated debt securities under the junior subordinated indenture which is on parity with other junior subordinated debt securities. The junior subordinated debt securities will be our unsecured and subordinated obligations and will be subordinated to all of our Priority Indebtedness (as defined under “—Subordination”).

The authorized denominations of the junior subordinated debt securities will be \$1,000 and any larger amount that is an integral multiple of \$1,000, unless otherwise specified in the applicable prospectus supplement. Except in certain circumstances described below, the junior subordinated debt securities that are issued as global securities will not be exchangeable for junior subordinated debt securities in definitive certificated form.

The junior subordinated debt securities will not be subject to a sinking fund provision and are subject to defeasance. The junior subordinated indenture do not contain any financial covenants or restrict us from paying dividends, making investments, incurring indebtedness or repurchasing our securities. The junior subordinated indenture do not contain provisions that afford holders of the junior subordinated debt securities protection in the event we are involved in a highly leveraged transaction or other similar transaction that may adversely affect such holders. The junior subordinated indenture does not limit our ability to issue or incur other debt or issue preferred stock.

We will not pay any additional amounts to holders of the junior subordinated debt securities in respect of any tax, assessment or governmental charge.

Consolidation, Merger or Sale

We will agree not to merge or consolidate with any other person or sell or convey all or substantially all of our assets to any person unless (i) either we are the continuing person, or the successor (if other than us) is a corporation, limited liability company, partnership or trust organized and existing under the laws of the United States of America or a State thereof or the District of Columbia and such person expressly assumes the due and punctual payment of the principal of and interest on the junior subordinated debt securities, and the due and punctual performance and observance of all of the covenants and conditions of the junior subordinated indenture to be performed by us by supplemental indenture in form satisfactory to the relevant junior subordinated trustee, executed and delivered to the relevant junior subordinated trustee by such person, and (ii) immediately after giving effect to such merger or consolidation, or such sale or conveyance, no event of default, and no event which, after notice or lapse of time or both, would become an event of default, will occur and be continuing.

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In case of any such consolidation, merger or conveyance, such successor will succeed to and be substituted for us, with the same effect as if it had been named as us in the applicable junior subordinated indenture, and in the event of such conveyance (other than by way of a lease), we will be discharged of all of our obligations and covenants under the junior subordinated indenture and the junior subordinated debt securities.

Modification of Junior Subordinated Indenture

Without Holder Consent

Without the consent of any holders of junior subordinated debt securities, we and the relevant junior subordinated trustee may from time to time amend and/or supplement the applicable junior subordinated indenture and the junior subordinated debt securities for the following purposes:

- to evidence the succession of another person to us, or successive successions, and the assumption by such successor of our covenants, agreements and obligations pursuant to the provisions described under “—Consolidation, Merger or Sale”;
- to add to our covenants such further covenants, restrictions or conditions as we in good faith consider to be for the protection of the holders of the junior subordinated debt securities, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions or conditions a default or an event of default; provided that such supplemental indenture may provide for a particular grace period or an immediate enforcement upon such default or limit the remedies available to the relevant junior subordinated trustee upon such default;
- to change or eliminate any provision of the applicable junior subordinated indenture; provided, however, that any such change or elimination becomes effective only when there are no junior subordinated debt securities outstanding, or the junior subordinated debt securities are not entitled to the benefit of such provision;
- to establish the form or terms of the applicable junior subordinated debt securities;
- as determined by us in good faith, to cure any ambiguity or to correct or supplement any provision contained in the applicable junior subordinated indenture that may be defective or inconsistent with any other provisions contained therein;
- to make such other provision in regard to matters or questions arising under the applicable junior subordinated indenture or to make any other changes in the provisions of the applicable junior subordinated indenture; provided that such action will not adversely affect the interest of the holders of the junior subordinated debt securities in any material respect;
- to mortgage or pledge to the relevant junior subordinated trustee as security for the junior subordinated debt securities any property or assets;
- to qualify, or maintain the qualification of, the applicable junior subordinated indenture under the Trust Indenture Act;
- to evidence and provide for the acceptance of appointment under the applicable junior subordinated indenture by a successor junior subordinated trustee;
- to supplement the applicable junior subordinated indenture to such extent as is necessary to permit or facilitate the defeasance and discharge of the junior subordinated debt securities; provided that any such action shall not adversely affect the interests of any holder of an junior subordinated debt securities or coupon in any material respect; or
- to conform the terms of the applicable junior subordinated indenture and the junior subordinated debt securities to the descriptions thereof contained in the “Description of the Junior Subordinated Notes” section in the preliminary prospectus supplement for the junior subordinated debt securities, as supplemented and/or amended by the related pricing term sheet.

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With Holder Consent

Under each junior subordinated indenture, supplemental indentures for the purposes of adding any provisions to or changing in any manner or eliminating any of the provisions of the applicable junior subordinated indenture or of modifying in any manner the rights of the holders of junior subordinated debt securities under the applicable junior subordinated indenture may be entered into by us and the relevant junior subordinated trustee, with the consent of the holders of not less than a majority in principal amount of the junior subordinated debt securities issued under the applicable junior subordinated indenture. However, no such supplemental indenture shall:

- change the maturity of the junior subordinated debt securities, or reduce the rate or extend the time of payment of any interest thereon or on any overdue principal amount or reduce the principal amount thereof, or change the provisions pursuant to which the rate of interest on the junior subordinated debt securities is determined if such change could reduce the rate of interest thereon, or reduce the minimum rate of interest thereon (if any), or reduce any amount payable upon any redemption thereof, or reduce the amount to be paid at maturity or make the principal thereof or any interest thereon or on any overdue principal amount payable in any coin or currency other than U.S. dollars or impair or affect the right to institute suit for the payment thereof when due without the consent of the holder of each junior subordinated debt security so affected;
- reduce the percentage of junior subordinated debt securities, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of all junior subordinated debt securities then outstanding;
- modify any of the provisions of the applicable junior subordinated indenture relating to modifications, waivers of our compliance with covenants thereunder or direction of the relevant junior subordinated trustee by holders of junior subordinated debt securities, except to increase the percentage of holders who must consent thereto or to provide that certain other provisions cannot be modified or waived without the consent of the holders of all junior subordinated debt securities then outstanding; or
- modify the provisions relating to the subordination of the junior subordinated debt securities in a manner adverse to the holders thereof without the consent of the holder of each junior subordinated debt security so affected.

A supplemental indenture that changes or eliminates any covenant or other provision of the applicable junior subordinated indenture expressly included solely for the benefit of holders of securities other than the junior subordinated debt securities issued thereunder, or which modifies the rights of the holders of securities other than the junior subordinated debt securities issued thereunder with respect to such covenant or other provision, will be deemed not to affect the rights of the holders of the junior subordinated debt securities under the applicable junior subordinated indenture.

We may omit to comply with any covenant or condition contained in any junior subordinated indenture if holders of a majority in principal amount of the junior subordinated debt securities issued thereunder waive such compliance.

Satisfaction and Discharge

The junior subordinated indenture provides that, at our option, we will be discharged from all obligations in respect of the junior subordinated debt securities then outstanding (except for certain obligations to register the transfer of or exchange the junior subordinated debt securities, to replace stolen, lost or mutilated junior subordinated debt securities, and to maintain paying agencies) if all of the junior subordinated debt securities have become due and payable, or are to become due and payable within one year or are called for redemption within one year under arrangements satisfactory to the relevant junior subordinated trustee for the giving of notice of redemption, and we, in each case, irrevocably deposit in trust with the relevant junior subordinated trustee money and/or securities backed by the full faith and credit of the United States that through the payment of the principal thereof and the interest thereon in accordance with their terms, will provide money in an amount sufficient to pay all of the principal of and interest on the junior subordinated debt securities on the stated maturity date in accordance with the terms thereof.

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Defeasance

The junior subordinated indenture allows for, at our option, legal and/or covenant defeasance with respect to the junior subordinated debt securities. In order to defease the junior subordinated debt securities, the following conditions must be met (subject to certain limitation in the relevant junior subordinated indenture):

- we must irrevocably deposit with the relevant junior subordinated trustee in trust (1) an amount in US dollars, or (2) government obligations which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment of principal of (and premium, if any) and interest, if any, on the junior subordinated debt securities, money, or (3) a combination thereof, in any case, in an amount, sufficient, without consideration of any reinvestment of such principal and interest, in the opinion of a nationally recognized firm of independent public accountants, to pay and discharge, the principal of (and premium, if any) and interest, if any, on the junior subordinated debt securities, to and including their stated maturity of the junior subordinated debt securities;
- such legal defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a default under, the applicable junior subordinated indenture or any other material agreement or instrument to which we are a party or by which we are bound;
- in the case of legal defeasance, no event of default or event which with notice or lapse of time or both would become an event of default with respect to the junior subordinated debt securities shall have occurred and be continuing on the date of such deposit and, with respect to legal defeasance only, at any time during the period ending on the 91st day after the date of such deposit;
- if the junior subordinated debt securities are to be redeemed prior to their stated maturity, notice of such redemption shall have been duly given pursuant to the applicable junior subordinated indenture or provision therefor satisfactory to the relevant junior subordinated trustee shall have been made;
- we must deliver to the relevant junior subordinated trustee an officer's certificate and an opinion of counsel, each stating that all conditions precedent to the legal defeasance or covenant defeasance have been complied with; and
- we must deliver to the relevant junior subordinated trustee an opinion of counsel to the effect that beneficial owners of the junior subordinated debt securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of our exercise of our option to defease the junior subordinated debt securities, and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such legal defeasance or covenant defeasance had not occurred, which opinion of counsel must be based, solely in the case of legal defeasance, upon a ruling of the IRS to the same effect or a change in applicable federal income tax law or related treasury regulations after the date of the applicable junior subordinated indenture.

Subordination

The junior subordinated debt securities will be subordinate and junior in right of payment to all Priority Indebtedness as defined below.

If:

- we make a payment or distribution of any of our assets to creditors upon our dissolution, winding-up, liquidation or reorganization, whether in bankruptcy, insolvency or otherwise;
- a default beyond any grace period has occurred and is continuing with respect to the payment of principal, interest or any other monetary amounts due and payable on any Priority Indebtedness; or
- the maturity of any Priority Indebtedness has been accelerated because of a default on that Priority Indebtedness,

then the holders of Priority Indebtedness generally will have the right to receive payment, in the case of the first instance, of all amounts due or to become due upon that Priority Indebtedness, and, in the case of the second and third instances, of all amounts due on that Priority Indebtedness, or we will make provision for those payments, before the holders of any junior subordinated debt securities have the right to receive any payments of principal or interest on their junior subordinated debt securities.

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- “Priority Indebtedness” means the principal, premium, interest and any other payment in respect of any of the following:
- all of our current and future indebtedness for borrowed or purchase money whether or not evidenced by notes, debentures, bonds or other similar written instruments;
 - our obligations under synthetic leases, finance leases and capitalized leases;
 - our obligations for reimbursement under letters of credit, surety bonds, banker’s acceptances, security purchase facilities or similar facilities issued for our account;
 - any of our other indebtedness or obligations with respect to derivative contracts, including commodity contracts, interest rate, commodity and currency swap agreements, forward contracts and other similar agreements or arrangements; and
 - all indebtedness of others of the kinds described in the preceding categories which we have assumed, endorsed or guaranteed or with respect to which we have a similar contingent obligation.

However, “Priority Indebtedness” will not include trade accounts payable, accrued liabilities arising in the ordinary course of business, indebtedness to our subsidiaries, and any other indebtedness that effectively by its terms, or expressly provides that it, ranks on parity with, or junior to, the junior subordinated debt securities.

Priority Indebtedness will be entitled to the benefits of the subordination provisions in the applicable junior subordinated indenture irrespective of the amendment, modification or waiver of any term of the Priority Indebtedness. We may not amend the applicable junior subordinated indenture to change the subordination provisions in a manner adverse to the holders of Priority Indebtedness without the consent of each holder of Priority Indebtedness that the amendment would adversely affect.

The junior subordinated debt securities will be unsecured and will be subordinated and junior in right of payment, to the extent and in the manner stated in the applicable junior subordinated indenture, to all of our existing and future Priority Indebtedness. The junior subordinated debt securities will be effectively subordinated to all liabilities of our subsidiaries. Holders of the junior subordinated debt securities should recognize that contractual provisions in the applicable junior subordinated indenture may prohibit us from making payments on the junior subordinated debt securities.

The junior subordinated indenture does not restrict or limit in any way our ability to incur Priority Indebtedness.

Events of Default

Each of the following is an “Event of Default” with respect to the junior subordinated debt securities:

- failure to pay required interest on the junior subordinated debt securities for 30 days;
- failure to pay when due principal on the junior subordinated debt securities;
- failure to perform, for 90 days after notice, any other covenant in the junior subordinated indenture applicable to the junior subordinated debt securities, unless such period is extended or corrective action is initiated within such periods and is being diligently pursued; and
- certain events of bankruptcy or insolvency, whether voluntary or not.

If an Event of Default should occur and be continuing, either the junior subordinated trustee or the holders of at least 25% in total principal amount of outstanding junior subordinated debt securities may declare each junior subordinated debt security immediately due and payable.

The holders of a majority in principal amount of outstanding junior subordinated debt securities may waive a default or Event of Default, other than a default in the payment of principal of, or interest on, the junior subordinated debt securities (including the redemption price or purchase price of the junior subordinated debt securities, if applicable), or a default or Event of Default with respect to a covenant or provision that cannot be modified or amended without the consent of the holder of each outstanding junior subordinated debt security.

If any portion of the amount payable on the junior subordinated debt securities upon acceleration is considered by a court to be unearned interest, the court could disallow recovery of such portion.

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The holders of a majority in principal amount of outstanding junior subordinated debt securities will be entitled to control certain actions of the junior subordinated trustee. The junior subordinated trustee generally will not be required to take any action requested, ordered or directed by any of the holders of the junior subordinated debt securities, unless one or more of such holders shall have offered to the junior subordinated trustee security and/or indemnity satisfactory to it.

Before any holder of junior subordinated debt securities may institute action for any remedy, except payment on such holder's junior subordinated debt securities when due, the holders of not less than a majority in principal amount of outstanding junior subordinated debt securities must request the junior subordinated trustee to take action. Holders must also offer and give the junior subordinated trustee security and/or indemnity satisfactory to it against liabilities incurred by the junior subordinated trustee for taking such action.

We are required to annually furnish the junior subordinated trustee a statement as to our compliance with all conditions and covenants under the junior subordinated indenture. The junior subordinated trustee is required, within 90 days after the occurrence of a default, to give notice of all defaults to each holder of the junior subordinated debt securities. However, the junior subordinated indenture provides that the junior subordinated trustee may withhold notice to the holders of the junior subordinated debt securities of any default, other than a default in the payment of principal of, or interest on, the junior subordinated debt securities (including the redemption price or purchase price of the junior subordinated debt securities, if applicable), if it considers withholding notice to be in the interests of the holders of the junior subordinated debt securities.

Book-Entry, Delivery and Form

Unless otherwise specified in an applicable prospectus supplement, the provisions of "Description of Senior Debt Securities and Subordinated Debt Securities—Book-Entry, Delivery and Form" will apply to junior subordinated debt securities.

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DESCRIPTION OF CAPITAL STOCK

SJI is authorized to issue 120,000,000 shares of common stock, \$1.25 par value per share, and 2,500,000 shares of preference stock, without par value. As of August 1, 2019, there were 92,390,349 shares of common stock outstanding and no shares of preference stock outstanding.

Our common stock is listed on the New York Stock Exchange and trades under the ticker symbol “SJI.” All outstanding shares of our common stock are validly issued, fully paid and nonassessable.

The following description of the terms of our common stock is not complete and is qualified in its entirety by reference to our Certificate of Incorporation, as amended through February 27, 2015 (as so amended, our “Certificate of Incorporation”), our Bylaws, as amended and restated through April 21, 2017 (our “Bylaws”), and the laws of the state of New Jersey.

Common Stock

Voting Rights

The holders of our common stock are entitled to one vote per share on each matter submitted to a vote at a meeting of shareholders.

There is no provision for cumulative voting with regard to the election of directors. This could prevent directors from being elected by a relatively small group of shareholders.

Dividend Rights

Holders of our common stock are entitled to receive any dividends our board of directors may declare on our common stock, subject to the prior rights of any preference stock. Our board of directors may declare dividends from funds legally available for this purpose.

Liquidation Rights

If we liquidate, dissolve or are wound up, then after payment of or provision for claims of creditors and after payment of any liquidation preferences to holders of any preference stock, the holders of our common stock will be entitled to participate equally and ratably, in proportion to the number of shares held, in our net assets available for distribution to holders of common stock.

Other Rights

The holders of our common stock have no preemptive rights to maintain their percentage of ownership in future offerings or sales of stock of SJI and no rights to convert their common stock into any other securities. Our common stock is not subject to any redemption or sinking fund provisions.

Preference Stock

Our board of directors has the authority, without other action by shareholders, to issue preference stock in one or more series.

Our board of directors has the authority to determine the terms of each series of preference stock, within the limits of our amended and restated articles of incorporation, our amended and restated by-laws and the laws of the state of New Jersey. These terms include the number of shares in a series and applicable dividend rights, liquidation preferences, terms of redemption, conversion rights and voting rights, if any.

Anti-Takeover Provisions of our Certificate of Incorporation, Bylaws and New Jersey law

Certain provisions of our Certificate of Incorporation, our Bylaws and New Jersey law could discourage, delay or prevent some transactions involving unsolicited acquisitions or changes of control of the Company. We believe that these provisions will enable us to develop our business in a manner that will foster our long-term growth without disruption caused by the threat of a takeover not deemed by our board of directors to be in the best interests of the Company, our shareholders and certain other constituents. However, such provisions could have the effect of discouraging third parties from making proposals involving an unsolicited acquisition or

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change of control of the Company, even when a majority of our shareholders might consider such proposals, if made, desirable. Such provisions also may have the effect of making it more difficult for third parties to cause the replacement of our current management without the assent of our board of directors. These provisions include:

- limitations on certain transactions (including mergers, consolidations, asset dispositions and securities issuances) with certain entities that beneficially own 5% or more of our capital stock;
- a requirement for the affirmative vote of the holders of at least 80% of the aggregate voting power of our outstanding common stock to amend the limitations on such transactions;
- authorization of our board of directors to issue common stock and preference stock from time to time in its discretion;
- authorization of our board of directors to establish one or more series or classes of undesignated preference stock, the terms of which can be determined by our board of directors at the time of issuance;
- noncumulative voting;
- authorization of our directors to fill any vacancies on our board of directors, including vacancies resulting from a board resolution to increase the number of directors; and
- advance notice procedures with respect to nominations of directors or proposals other than those adopted or recommended by our board of directors.

Transactions with Related Persons

Our Certificate of Incorporation prohibits us from engaging in certain transactions with certain “Related Persons,” as further described further below, including (i) any merger or consolidation, (ii) any sale, lease, exchange or other disposition of any substantial part of our assets or (iii) any issuance or transfer of any securities having voting power in exchange for securities, cash or other property unless (x) approved by the affirmative vote of the holders of at least 80% of the outstanding shares of all classes of our capital stock entitled to vote in the election of directors or (y) approved by our board of directors prior to the time that the Related Person became a Related Person. The restriction applies to any such transaction with a person who was a Related Person within the 12 months preceding the record date for determination of the shareholders entitled to notice of the transaction and to vote thereon.

A “Related Person” is defined for this purpose as any person (other than a corporation or any subsidiary of SJI) who is the beneficial owner, directly or indirectly, of 5% or more of the outstanding shares of our capital stock entitled to vote generally in the election of directors.

The provisions of our Certificate of Incorporation relating to transactions with Related Persons may be amended only by the affirmative vote of the holders of at least 80% of the aggregate voting power of our outstanding capital stock.

Anti-Takeover Effects of the New Jersey Shareholders Protection Act

We are subject to Section 14A:10A of the New Jersey Shareholders Protection Act. Subject to certain qualifications and exceptions, the statute prohibits an interested stockholder of a corporation from effecting a business combination with the corporation for a period of five years unless (i) the corporation’s board of directors approved the combination prior to the shareholder becoming an interested stockholder or (ii) the corporation’s board of directors approved the transaction or series of transactions which caused the person to become an interested stockholder before the person became an interested stockholder and any subsequent business combination with that interested stockholder is approved by independent members of the board of directors and the holders of a majority of the voting stock not beneficially owned by the interested stockholder. In addition, but not in limitation of the five-year restriction, if applicable, corporations covered by the New Jersey statute may not engage at any time in a business combination with any interested stockholder of that corporation unless the combination is approved by the board of directors prior to the interested stockholder’s stock acquisition date, the combination receives the approval of two-thirds of the voting stock of the corporation not beneficially owned by the interested stockholder or the combination meets minimum financial terms specified by the statute.

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An “interested stockholder” is defined for this purpose to include any beneficial owner of 10% or more of the voting power of the outstanding voting stock of the corporation and any affiliate or associate of the corporation who within the prior five year period has at any time owned 10% or more of the voting power of the then outstanding stock of the corporation.

The term “business combination” is defined to include, among other things:

- the merger or consolidation of the corporation with the interested stockholder or any corporation that is or after the merger or consolidation would be an affiliate or associate of the interested stockholder;
- the sale, lease, exchange, mortgage, pledge, transfer or other disposition to an interested stockholder or any affiliate or associate of the interested stockholder of 10% or more of the corporation’s assets; or
- the issuance or transfer to an interested stockholder or any affiliate or associate of the interested stockholder of 5% or more of the aggregate market value of the stock of the corporation.

Authorized but Unissued Common Stock and Preference Stock

The authorized but unissued shares of our common stock and preference stock are available for future issuance without shareholder approval. Further, our board of directors can set the voting rights, redemption rights, conversion rights and other rights relating to any such preference stock and could issue such stock in either public or private transactions.

New Jersey law does not require shareholder approval for any issuance of authorized shares. However, the listing requirements of the New York Stock Exchange, which would apply to us so long as our common stock remains listed on the New York Stock Exchange, require shareholder approval of certain issuances equal to or exceeding 20% of the then outstanding voting power or then outstanding number of shares of our common stock.

We may issue additional shares for a variety of corporate purposes. We may engage in public or private offerings to raise additional capital or to facilitate corporate acquisitions. We may issue shares of common or preference stock to persons friendly to current management. Such an issuance may discourage, delay or prevent an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management. This could deprive our shareholders of opportunities to sell their shares of our stock at prices higher than prevailing market prices. Our board of directors could also use these shares to dilute the ownership of persons seeking to obtain control of the Company.

Number of Directors; Filling of Vacancies

Our Bylaws provide that our board of directors will have eleven directors. The size of the board of directors may be changed by a majority vote of the board of directors. Our Bylaws permit the board of directors to fill any new directorships it creates and any other vacancies. Accordingly, our board of directors may be able to prevent any shareholder from obtaining majority representation on our board of directors by increasing the size of the board of directors and filling the newly created directorships with its own nominees.

The provisions of our Bylaws relating to the number of directors and filling of vacancies may be amended only by the majority vote of the directors or the affirmative vote of the holders of at least 80% of the aggregate voting power of our outstanding capital stock.

Advance Notice Provisions

Our Bylaws provide that in order for a shareholder to nominate a director or bring other business before an annual meeting, the shareholder must give written notice, in proper form, to our Secretary (i) in the case of an annual meeting that is called for a date that is within 30 days before or after the anniversary date of the previous year’s annual meeting of shareholders, not less than 60 days nor more than 90 days prior to the anniversary date, (ii) in the case of an annual meeting that is called for a date that is not within 30 days before or after the anniversary date of the previous year’s annual meeting, not later than the close of business on the tenth day following the day on which notice of the date of the meeting was mailed or public disclosure of the date of the meeting was made, whichever comes first, and (iii) in the case of any special meeting of the shareholders, not less than 60 days nor more than 90 days prior to the date of such meeting.

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Only persons who are nominated by, or at the direction of, our board of directors, or who are nominated by a shareholder who has given timely written notice, in proper form, to our Secretary prior to a meeting at which directors are to be elected, will be eligible for election as directors. The notice of any nomination for election as a director must set forth:

- the name and address of the shareholder who intends to make the nomination and of the person or persons to be nominated;
- the class and number of shares of the Company beneficially owned by the shareholder and any persons acting in concert with the shareholder;
- a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons, naming such person or persons, pursuant to which the nomination or nominations are to be made by the shareholder;
- such other information regarding each nominee proposed by such shareholder as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the SEC had each nominee been nominated, or intended to be nominated, by our board of directors; and
- the consent of each nominee to serve as a director if so elected.

The notice to bring any other matter a shareholder proposes to bring before a meeting of the shareholders must also set forth:

- a description of the proposal containing all material information relating thereto; and
- a representation that the shareholder is a holder of record of the stock of the Company entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to bring the business specified in the notice before the meeting.

The advance notice provisions may discourage, delay or prevent a person from bringing matters before a shareholder meeting. The provisions may provide enough time for us to begin litigation or take other steps to respond to these matters, or to prevent them from being acted upon.

Transfer Agent

Broadridge Corporate Issuer Solutions, Inc., serves as our transfer agent and registrar.

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DESCRIPTION OF OTHER SECURITIES

We will set forth in the applicable prospectus supplement a description of any preference stock, warrants, depositary shares, purchase contracts or units that may be offered pursuant to this prospectus.

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PLAN OF DISTRIBUTION

We may sell the offered securities through agents, through underwriters or dealers, directly to one or more purchasers, through a combination of any of these methods of sale or through any other methods described in a prospectus supplement. The distribution of securities may be effected, from time to time, in one or more transactions, including block transactions and transactions on the New York Stock Exchange or any other organized market where the securities may be traded. The securities may be sold at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices relating to the prevailing market prices or at negotiated prices. The consideration may be cash or another form negotiated by the parties. Agents, underwriters or dealers may be paid compensation for offering and selling the securities. That compensation may be in the form of discounts, concessions or commissions to be received from us or from the purchasers of the securities. We will identify the specific plan of distribution, including any underwriters, dealers, agents or direct purchasers and their compensation in a prospectus supplement.

The applicable prospectus supplement will set forth whether or not an underwriter may engage in stabilizing transactions, overallotment transactions, syndicate covering transactions and penalty bids.

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VALIDITY OF THE SECURITIES

Unless otherwise indicated in the applicable prospectus supplement, Gibson, Dunn & Crutcher LLP, New York, New York will pass upon the validity of any securities issued under this prospectus as to matters governed by the laws of the State of New York. Unless otherwise indicated in the applicable prospectus supplement, Melissa Orsen, Senior Vice President and General Counsel of the Company will pass upon the validity of any securities issued under this prospectus as to all matters governed by the laws of the State of New Jersey. Ms. Orsen is employed by the Company, participates in various employee benefit plans of the Company under which she may receive shares of common stock of the Company and currently beneficially owns less than one percent of the outstanding shares of common stock of the Company. Any underwriters will be represented by their own legal counsel, which will be named in the applicable prospectus supplement.

EXPERTS

The consolidated financial statements, and the related financial statement schedules, incorporated in this prospectus by reference from the Company's Annual Report on Form 10-K, and the effectiveness of the Company's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements and financial statement schedules have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The financial statements of Elizabethtown Gas as of and for the years ended December 31, 2017 and 2016 appearing in Exhibit 99.2 to the Current Report on Form 8-K of South Jersey Industries, Inc. dated September 12, 2018, incorporated by reference in this registration statement have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference, and is incorporated by reference in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The audited historical financial statements of Elizabethtown Gas for the year ended December 31, 2015 included in South Jersey Industries, Inc.'s Current Report on Form 8-K dated September 12, 2018 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. *Other Expenses of Issuance and Distribution*

The following table lists the estimated expenses to be incurred by the registrant in connection with the issuance and distribution of securities registered under this registration statement, other than underwriting discounts and commissions:

Securities and Exchange Commission registration fee	\$	*
Accounting fees and expenses		**
Legal fees and expenses		**
Trustee and Warrant Agent fees and expenses (including counsel fees)		**
Printing and engraving expenses		**
Rating agency fees		**
Miscellaneous		**
Total		**

* In accordance with Rules 456(b) and 457(r), the registrant is deferring payment of the registration fee.

** These fees will be dependent on the type of securities offered and number of offerings and, therefore, cannot be estimated at this time.

ITEM 15. *Indemnification of Directors and Officers*

The New Jersey Business Corporation Act, or NJBCA, provides that a New Jersey corporation has the power to indemnify a corporate agent (defined by the statute to include, among others, the corporation's officers and directors) against his or her expenses and liabilities in connection with any proceeding involving the corporate agent by reason of his or her being or having been such a corporate agent, other than a proceeding by or in the right of the corporation, if (a) such corporate agent acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation; and (b) with respect to any criminal proceeding, such corporate agent had no reasonable cause to believe his or her conduct was unlawful.

The NJBCA also provides that a New Jersey corporation has the power to indemnify a corporate agent against his or her expenses in connection with any proceeding by or in the right of the corporation to procure a judgment in its favor which involves the corporate agent by reason of his or her being or having been such corporate agent, if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation. However, in such proceeding no indemnification shall be provided in respect of any claim, issue or matter as to which such corporate agent shall have been adjudged to be liable to the corporation, unless and only to the extent that a court shall determine upon application that despite the adjudication of liability, but in view of all circumstances of the case, such corporate agent is fairly and reasonably entitled to indemnity for such expenses as such court shall deem proper.

As authorized by the NJBCA, Article IV of our Bylaws provide that we shall indemnify any corporate agent against his or her liabilities and expenses in connection with any proceeding involving the corporate agent by reason of his or her being or having been such a corporate agent to the extent that (a) such corporate agent is not otherwise indemnified and (b) the power to do so has been or may be granted by statute, and for this purpose our board of directors may, and on request of any such corporate agent shall be required to, determine in each case whether or not the applicable standards in any such statute have been met, or such determination shall be made by independent legal counsel if the Board so directs or if the Board is not empowered by statute to make such determination.

The NJBCA permits a New Jersey corporation to purchase and maintain insurance on behalf of any corporate agent against any expenses incurred in any proceeding and any liabilities asserted against him or her by reason of his or her being or having been a corporate agent, whether or not the corporation would have the power to indemnify him or her against such expenses and liabilities under the provisions of the NJBCA. We maintain and pay all premiums on a directors and officers liability policy for our directors and officers and those of our subsidiaries as permitted by the NJBCA.

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ITEM 16. Exhibits

A list of exhibits included as part of this Registration Statement is set forth in the Exhibit Index which immediately precedes such exhibits and is incorporated herein by reference.

ITEM 17. Undertakings

- (a) The undersigned registrant hereby undertakes:
- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
- (i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;
- (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and
- (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;
- provided, however,* that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.
- (2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:
- (i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and
- (ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof. *Provided, however,* that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document

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- incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.
- (5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities:
- The undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
- (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
 - (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
 - (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
 - (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.
- (b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.
- (c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.
- (d) The undersigned registrant hereby undertakes that:
- (1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.
 - (2) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (e) The undersigned registrant hereby undertakes to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under section 305(b)(2) of the Trust Indenture Act.

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Exhibit No.	Document
1.1*	Form of Underwriting Agreement.
<u>3.1</u>	Certificate of Incorporation of South Jersey Industries, Inc., dated November 10, 1969. (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed May 10, 2016.)
<u>3.2</u>	Certificate of Amendment of the Certificate of Incorporation of South Jersey Industries, Inc., dated April 21, 1983. (Incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed May 10, 2016.)
<u>3.3</u>	Certificate of Amendment of the Certificate of Incorporation of South Jersey Industries, Inc., dated April 19, 1984. (Incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K filed May 10, 2016.)
<u>3.4</u>	Certificate of Amendment of the Certificate of Incorporation of South Jersey Industries, Inc., dated April 23, 1987. (Incorporated by reference to Exhibit 3.4 to the Company's Current Report on Form 8-K filed May 10, 2016.)
<u>3.5</u>	Certificate of Amendment of the Certificate of Incorporation of South Jersey Industries, Inc., dated April 23, 1987. (Incorporated by reference to Exhibit 3.5 to the Company's Current Report on Form 8-K filed May 10, 2016.)
<u>3.6</u>	Certificate of Amendment of Certificate of Incorporation of South Jersey Industries, Inc., dated October 7, 1996. (Incorporated by reference to Exhibit 3.6 to the Company's Current Report on Form 8-K filed May 10, 2016.)
<u>3.7</u>	Certificate of Amendment of the Certificate of Incorporation of South Jersey Industries, Inc., dated May 5, 2005. (Incorporated by reference to Exhibit 3.7 to the Company's Current Report on Form 8-K filed May 10, 2016.)
<u>3.8</u>	Certificate of Amendment of the Certificate of Incorporation of South Jersey Industries, Inc., dated April 28, 2009. (Incorporated by reference to Exhibit 3.8 to the Company's Current Report on Form 8-K filed May 10, 2016.)
<u>3.9</u>	Certificate of Amendment to the Certificate of Incorporation of South Jersey Industries, Inc., dated June 2014. (Incorporated by reference to Exhibit 3.9 to the Company's Current Report on Form 8-K filed May 10, 2016.)
<u>3.10</u>	Certificate of Amendment to the Certificate of Incorporation of South Jersey Industries, Inc. Increasing the Number of Authorized Shares, dated February 27, 2015. (Incorporated by reference to Exhibit 3.10 to the Company's Current Report on Form 8-K filed May 10, 2016.)
<u>3.11</u>	Bylaws of South Jersey Industries, Inc. as amended and restated through April 21, 2017. (Incorporated by reference to Exhibit 3.2(ii) to the Company's Current Report on Form 8-K filed April 24, 2017.)
<u>4.1</u>	Form of Stock Certificate for common stock. (Incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-3 filed May 10, 2016.)
<u>4.2</u>	Form of Senior Indenture. (Incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-3 filed May 10, 2016.)
<u>4.3</u>	Form of Subordinated Indenture. (Incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-3 filed May 10, 2016.)

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<u>Exhibit No.</u>	<u>Document</u>
<u>4.4</u>	Form of Junior Subordinated Indenture.
4.5*	Form of Certificate of Designation with respect to any preference stock (together with form of preference stock certificate).
4.6*	Form of Warrant Agreement.
<u>5.1</u>	Opinion of Melissa Orsen, Vice President and General Counsel.
<u>5.2</u>	Opinion of Gibson, Dunn & Crutcher LLP.
<u>23.1</u>	Consent of Melissa Orsen, Vice President and General Counsel (contained in Exhibit 5.1).
<u>23.2</u>	Consent of Gibson, Dunn & Crutcher LLP (contained in Exhibit 5.2).
<u>23.3</u>	Consent of Deloitte & Touche LLP with respect to South Jersey Industries, Inc.
<u>23.4</u>	Consent of Deloitte & Touche LLP with respect to the Audited Consolidated Financial Statements of Elizabethtown Gas as of December 31, 2017 and 2016 and for the two years ended December 31, 2017.
<u>23.5</u>	Consent of PricewaterhouseCoopers LLP with respect to the Audited Consolidated Financial Statements of Elizabethtown Gas as of December 31, 2015 and for the year ended December 31, 2015.
<u>24.1</u>	Power of Attorney (included in signature page).
25.1*	Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 in respect of senior debt securities.
25.2*	Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 in respect of subordinated debt securities.
<u>25.3</u>	Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 in respect of junior subordinated debt securities.

* To be filed, if necessary, as an exhibit to a post-effective amendment to this registration statement or as an exhibit to a Current Report on Form 8-K to be filed by the registrant in connection with a specific offering, and incorporated herein by reference.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the Borough of Folsom, State of New Jersey, on September 9, 2019.

SOUTH JERSEY INDUSTRIES, INC.

By: /s/ Cielo Hernandez

Cielo Hernandez

Senior Vice President & Chief Financial Officer

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Michael J. Renna, Cielo Hernandez and Melissa Orsen as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for such person and in his or her name, place and stead, in any and all capacities, to sign any or all further amendments (including post-effective amendments) to this registration statement (and any additional registration statement related hereto permitted by Rule 462(b) promulgated under the Securities Act of 1933 (and all further amendments, including post-effective amendments, thereto)), and to file the same, with all exhibits thereto, and other documents in connection therewith, with the SEC, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated below.

Signature	Title	Date
<u>/s/ Walter M. Higgins III</u> Walter M. Higgins III	Director, Chairman of the Board	September 9, 2019
<u>/s/ Michael J. Renna</u> Michael J. Renna	Director, President & Chief Executive Officer (Principal Executive Officer)	September 9, 2019
<u>/s/ Cielo Hernandez</u> Cielo Hernandez	Senior Vice President & Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	September 9, 2019
<u>/s/ Sarah M. Barpoulis</u> Sarah M. Barpoulis	Director	September 9, 2019
<u>/s/ Thomas A. Bracken</u> Thomas A. Bracken	Director	September 9, 2019
<u>/s/ Keith S. Campbell</u> Keith S. Campbell	Director	September 9, 2019
<u>/s/ Victor A. Fortkiewicz</u> Victor A. Fortkiewicz	Director	September 9, 2019

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Signature	Title	Date
<u>/s/ Sheila Hartnett-Devlin</u> Sheila Hartnett-Devlin	Director	September 9, 2019
<u>/s/ Sunita Holzer</u> Sunita Holzer	Director	September 9, 2019
<u>/s/ Joseph M. Rigby</u> Joseph M. Rigby	Director	September 9, 2019
<u>/s/ Frank L. Sims</u> Frank L. Sims	Director	September 9, 2019

SOUTH JERSEY INDUSTRIES, INC.

AND

[_____]

TRUSTEE

JUNIOR SUBORDINATED INDENTURE

DATED AS OF [____], 20[__]

JUNIOR SUBORDINATED NOTES

Reconciliation and tie between
Trust Indenture Act of 1939 (the Trust Indenture Act)
and Indenture

Trust Indenture Act Section	Indenture Section
Section 310(a)(1)	7.9
(a)(2)	7.9
(a)(3)	Not applicable
(a)(4)	Not applicable
(a)(5)	7.9
(b)	7.8
Section 311(a)	7.13
(b)	5.4(a), 7.13
Section 312(a)	5.1
(b)	5.2
(c)	5.2
Section 313(a)	5.4(a)
(b)	5.4(a), 5.4(b)
(c)	5.4(c)
(d)	5.4(d)
Section 314(a)	4.6; 5.3
(b)	Not applicable
(c)(1)	15.4
(c)(2)	15.4
(c)(3)	Not applicable
(d)	Not applicable
(e)	15.4
(f)	15.4
Section 315(a)	7.1, 7.2
(b)	6.7
(c)	7.1
(d)	7.1(b)
(d)(1)	7.1(a)(i)
(d)(2)	7.1(b)
(d)(3)	7.1(c)
(e)	6.8
Section 316(a) (last sentence)	8.4
(a)(1)(A)	6.6
(a)(1)(B)	6.6
(a)(2)	Not applicable
(b)	6.4
(c)	10.5
Section 317(a)(1)	6.2, 6.5
(a)(2)	6.2
(b)	4.4(a)
Section 318(a)	15.6

Note: This reconciliation and tie shall not, for any purpose, be deemed to be part of the Indenture.

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THIS JUNIOR SUBORDINATED INDENTURE (the “Indenture”), dated as of the [_____], 20[____] between SOUTH JERSEY INDUSTRIES, INC., a New Jersey corporation (hereinafter sometimes referred to as the “Company”), party of the first part, and [_____] (hereinafter sometimes referred to as the “Trustee”), party of the second part, as trustee.

WITNESSETH:

WHEREAS, for its lawful corporate purposes, the Company has duly authorized the issuance from time to time of its unsecured junior subordinated notes or other evidences of indebtedness (hereinafter referred to as the “Securities”), without limit as to principal amount, issuable in one or more series, the amount and terms of each such series to be determined as hereinafter provided, including, without limitation, Securities issued to evidence loans made to the Company of the proceeds from the issuance from time to time by one or more statutory trusts (each a “South Jersey Trust,” and collectively, the “South Jersey Trusts”) of preferred interests in such Trusts, having the rights provided for in such Trusts (the “Preferred Securities” which may also be referred to, without limitation, as the “Capital Securities”) and common interests in such Trusts, having the rights provided for in such Trusts (the “Common Securities,” and collectively with the Preferred Securities, the “Trust Securities”); to be authenticated by the Trustee; and, to provide the terms and conditions upon which the Securities are to be authenticated, issued and delivered, the Company has duly authorized the execution of this Indenture; and

WHEREAS, all acts and things necessary to make the Securities when executed by the Company and authenticated and delivered by the Trustee as in this Indenture provided, the valid, binding and legal obligations of the Company, and to constitute these presents a valid indenture and agreement according to its terms, have been done and performed and the execution of this Indenture and the issue hereunder of the Securities have in all respects been duly authorized, and the Company, in the exercise of the legal rights and power vested in it, executes this Indenture and proposes to make, execute, issue and deliver the Securities.

NOW, THEREFORE, in order to declare the terms and conditions upon which the Securities are authenticated, issued and delivered, and in consideration of the premises and of the purchase and acceptance of the Securities by the holders thereof, the Company covenants and agrees with the Trustee, for the benefit of each other and for the equal and proportionate benefit of the respective holders from time to time of the Securities or of series thereof, and of the holders of Priority Indebtedness, as follows:

**ARTICLE I
DEFINITIONS**

1.1 Certain Terms Defined. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (a) The terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular;
- (b) All other terms used herein which are defined in the Trust Indenture Act, whether directly or by reference therein, have the meanings assigned to them therein (except as otherwise expressly provided);
- (c) All accounting terms used herein and not expressly defined herein shall have the meanings assigned to them in accordance with generally accepted accounting principles in the United States of America, and, except as otherwise herein expressly provided, the term “generally accepted accounting principles” with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted in the United States of America at the date of such computation; *provided*, that when two or more principles are so generally accepted, it shall mean that set of principles consistent with those in use by the Company; and
- (d) The terms “herein,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

Additional Interest: means the interest, if any, that shall accrue on any interest on the Securities of any series the payment of which has not been made on the applicable interest payment date and which shall accrue at the rate per annum specified or determined as specified in such Security.

Additional Tax Sums: has the meaning specified in Section 4.8.

Administrative Trustee: means, in respect of any South Jersey Trust, each Person identified as an “Administrative Trustee” in the related Trust Agreement, solely in such Person’s capacity as Administrative Trustee of such South Jersey Trust under such Trust Agreement and not in such Person’s individual capacity, or any successor administrative trustee appointed as therein provided.

Agent: means any registrar, Paying Agent, or Depositary Custodian.

Applicable Procedures: means, with respect to any payment, tender, redemption, transfer or exchange of or for beneficial interests in any global Security held by the Depositary, the rules and procedures of the Depositary that apply to such payment, tender, redemption, transfer or exchange.

Authenticating Agent: means any Authenticating Agent appointed by the Trustee pursuant to Section 2.9.

Authorized Newspaper: means a newspaper in an official language of the place of publication, customarily published at least once a day for at least five days in each calendar week and of general circulation in each place in connection with which the term is used or in the financial community of each such place. Whenever successive publications are required to be made in an Authorized Newspaper, the successive publications may be made in the same or in a different newspaper meeting the foregoing requirements and in each case on any day of the week. If it is impossible or, in the opinion of the Trustee, impracticable to publish any notice in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute a sufficient publication of such notice.

Board of Directors: when used with reference to the Company, means the Board of Directors of the Company or any committee of or created by the Board of Directors of the Company duly authorized to act hereunder.

Business Day: means any day which is not a Saturday or Sunday or a day on which banking institutions in The City of New York are authorized or required by law or executive order to close or a day on which the Corporate Trust Office of the Trustee or the Property Trustee is closed for business.

Capital Securities: has the meaning specified in the recitals to this Indenture.

Capital Stock: means shares of capital stock of any class of any corporation whether now or hereafter authorized regardless of whether such capital stock shall be limited to a fixed sum or percentage in respect of the rights of the holders thereof to participate in dividends and in the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up.

Commission: means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties on such date.

Common Securities: has the meaning specified in the recitals to this Indenture.

Common Stock: means the common stock, par value \$1.25 per share, of the Company.

Company: means South Jersey Industries, Inc., a New Jersey corporation and, subject to the provisions of Article XI, shall also include its successors and assigns.

Corporate Trust Office: means the office of the Trustee at which at any particular time its corporate trust business in respect of this Indenture shall be designated, which office, on the date of original execution of this Indenture, is located at [_____], [_____], Attention: [_____], Telephone: [_____), Facsimile: [_____), Email: [_____), or at any other time at such other address as the Trustee may designate from time to time by notice in writing to the Company, or at the principal corporate trust office of any successor trustee as to which such successor trustee may notify the Company in writing.

covenant defeasance: has the meaning specified in Section 12.5(c).

Declaration: means, in respect of a South Jersey Trust, the amended and restated declaration of trust of such South Jersey Trust or any other governing instrument of such South Jersey Trust.

default: means any event that is or, after notice or passage of time or both, would be an Event of Default.

defeasance: has the meaning specified in Section 12.5(b).

Depository: means, with respect to the Securities of any series issuable or issued in whole or in part in the form of one or more global Securities, the person designated as Depository by the Company pursuant to Section 2.1 until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter the term "Depository" shall mean or include each person who is then a Depository hereunder and if at any time there is more than one such person, the term "Depository" as used with respect to the Securities of any series shall mean the Depository with respect to the Securities of such series.

Depository Custodian: means the Trustee as custodian with respect to the global Securities held by the Depository or any successor entity thereto.

Distributions: with respect to the Trust Securities issued by a South Jersey Trust, means amounts payable in respect of such Trust Securities as provided in the related Trust Agreement and referred to therein as "Distributions."

Dollar or \$: means a dollar or other equivalent unit of legal tender for payment of public or private debts in the United States of America.

Event of Default: with respect to Securities of any series shall mean any event specified as such in Section 6.1 and any other event as may be established with respect to the Securities of such series as contemplated by Section 2.1.

Exchange Act: has the meaning specified in Section 2.2.

Extension Period: has the meaning specified in Section 2.10.

Government Obligation: means securities which are (i) direct obligations of the United States of America where the payment or payments thereunder are supported by the full faith and credit of the United States of America or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America where the timely payment or payments thereunder are unconditionally guaranteed as a full faith and credit obligation by the United States of America, and which, in the case of (i) or (ii), are not callable or redeemable at the option of the issuer or issuers thereof.

Indenture: means this instrument as originally executed, or, if amended or supplemented as herein provided, then as so amended or supplemented, and shall include the form and terms of particular series of Securities established as contemplated by Sections 2.1 and 2.2.

Investment Company Event: means in respect of a South Jersey Trust, the receipt by the Company and a South Jersey Trust of an Investment Company Event Opinion (as defined in the relevant Trust Agreement) to the effect that, as a result of the occurrence of a change in law or regulation or a change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority (a "Change in 1940 Act Law"), such South Jersey Trust is or will be considered an investment company that is required to be registered under the 1940 Act, which Change in 1940 Act Law becomes effective on or after the date of original issuance of the Preferred Securities of such South Jersey Trust.

Maturity: when used with respect to any Security means the date on which the principal of such Security becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption, tender for purchase, or otherwise.

1940 Act: means the Investment Company Act of 1940, as amended.

Officer: means the Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, the President, any Vice President (whether or not designated by a number or word added before or after the title vice president), the Treasurer, an Assistant Treasurer, the Secretary or an Assistant Secretary.

Officer's Certificate: means a certificate signed by an Officer of the Company and delivered to the Trustee. Each such certificate shall include the statements provided for in Section 15.4, if and to the extent required by the provisions thereof and will comply with Section 314 of the Trust Indenture Act.

Opinion of Counsel: means a written opinion of counsel, who may be an employee of, or counsel to, the Company, or other counsel who shall be reasonably satisfactory to the Trustee, and delivered to the Trustee. Each such opinion shall include the statements provided for in Section 15.4, if and to the extent required by the provisions thereof and will comply with Section 314 of the Trust Indenture Act.

Original Issue Discount Security: means any Security which provides for an amount less than the principal amount payable at maturity to be due and payable upon redemption pursuant to Section 3 or declaration pursuant to Section 6.1.

outstanding: when used with reference to Securities and subject to the provisions of Section 8.4, means as of any particular time, all Securities authenticated and delivered by the Trustee under this Indenture, except

(a) Securities theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities, or portions thereof, for the payment or redemption of which moneys in the necessary amount shall have been deposited in trust with the Trustee or with any Paying Agent (other than the Company) or shall have been set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent), *provided that* such Securities shall have reached their Stated Maturity or, if such Securities are to be redeemed prior to the Stated Maturity thereof, notice of such redemption shall have been given as in Article III provided, or provision satisfactory to the Trustee shall have been made for giving such notice;

(c) Securities in lieu of or in substitution for which other Securities shall have been authenticated and delivered or which have been paid pursuant to the terms of Section 2.7 unless proof satisfactory to the Trustee is presented that any such Securities are held by a bona fide purchaser in whose hands any of such Securities is a valid, binding and legal obligation of the Company; and

(d) Any such Security with respect to which the Company has effected defeasance or covenant defeasance pursuant to Section 12.5, except to the extent provided in Section 12.5.

In determining whether the holders of the requisite principal amount of outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, the principal amount of an Original Issue Discount Security that shall be deemed to be outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the Maturity thereof pursuant to Section 6.1.

Paying Agent: means the Trustee or any Person or Persons authorized by the Company to pay the principal or interest on any Securities on behalf of the Company.

Person or person: means any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association or government or any agency or political subdivision thereof, or any other entity of whatever nature.

Preferred Securities: has the meaning specified in the recitals to this Indenture.

Principal: whenever used with reference to the Securities or any Security or any portion thereof, shall be deemed to include “and premium, if any.”

Priority Indebtedness of the Company: means the principal, premium, interest and any other payment in respect of (i) all current and future indebtedness of the Company for borrowed or purchase money, whether or not evidenced by notes, debentures, bonds or other similar written instruments, (ii) obligations of the Company under synthetic leases, finance leases and capitalized leases, (iii) obligations of the Company for reimbursement under letters of credit, surety bonds, banker's acceptances, security purchase facilities or similar facilities issued for the account of the Company, (iv) any indebtedness or other obligations of the Company with respect to derivative contracts, including but not limited to commodity contracts, interest rate, commodity and currency swap agreements, forward contracts, and other similar agreements or arrangements, and (v) any guarantees, endorsements, assumptions (other than by endorsement of negotiable instruments for collection in the ordinary course of business) or other similar contingent obligations in respect of obligations of others of a type described in (i), (ii), (iii) or (iv) above, whether or not such obligation is classified as a liability on a balance sheet prepared in accordance with generally accepted accounting principles, in each case listed in (i), (ii), (iii), (iv) and (v) above whether outstanding on the date of execution of this Indenture or thereafter incurred; *provided, however,* that “Priority Indebtedness of the Company” does not include (a) trade accounts payable, (b) accrued liabilities arising in the ordinary course of business, (c) any indebtedness of the Company to any of its Subsidiaries or (d) any other indebtedness that effectively by its terms, or expressly provides that it, ranks on parity with, or junior to, the Securities.

Property Trustee: means, in respect of any South Jersey Trust, the commercial bank or trust company identified as the “Property Trustee” in the related Trust Agreement, solely in its capacity as Property Trustee of such South Jersey Trust under such Trust Agreement and not in its individual capacity, or its successor in interest in such capacity, or any successor property trustee appointed as therein provided.

ranking junior to the Securities: when used with respect to any obligation of the Company means any other obligation of the Company which (a) ranks junior to and not equally with or prior to the Securities (or any other obligations of the Company ranking on a parity with the Securities) in right of payment upon the happening of any event of the kind specified in the first sentence of the second paragraph of Section 14.1, or (b) is specifically designated as ranking junior to the Securities by express provision in the instrument creating or evidencing such obligation. The securing of any obligations of the Company, otherwise ranking junior to the Securities, shall be deemed to prevent such obligations from constituting obligations ranking junior to the Securities.

ranking on a parity with the Securities: when used with respect to any obligation of the Company means (a) any obligation of the Company which ranks equally with and not prior to the Securities in right of payment upon the happening of any event of the kind specified in the first sentence of the second paragraph of Section 14.1, (b) any South Jersey Guarantee of Preferred Securities of any South Jersey Trust or other entity affiliated with the Company that is a financing entity of the Company and holds Securities issued under this Indenture, or (c) any obligation of the Company which is specifically designated as ranking on a parity with the Securities by express provision in the instrument creating or evidencing such obligation. The securing of any obligations of the Company, otherwise ranking on a parity with the Securities, shall not be deemed to prevent such obligations from constituting obligations ranking on a parity with the Securities.

record date: has the meaning specified in Section 2.3.

redemption; redeem; redeemable: when used with respect to any Security, shall include, without limitation, any prepayment or repayment provisions applicable to such Security.

Register: has the meaning specified in Section 2.5.

Resolution of the Company: means a resolution of the Company, in the form of a resolution of the Board of Directors or in the form of a resolution of a duly constituted committee of the Board of Directors, authorizing, ratifying, setting forth or otherwise validating agreements, execution and delivery of documents, the issuance, form and terms of Securities, or any other actions or proceedings pursuant or with respect to this Indenture.

Responsible Officer: when used with respect to the Trustee, means an officer of the Trustee in its Corporate Trust Office having direct responsibility for the administration of this Indenture, and also, with respect to a particular matter, any other officer to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject.

Rights Plan: means a plan of the Company providing for the issuance by the Company to all holders of its Common Stock of rights entitling the holders thereof to subscribe for or purchase shares of Common Stock or any class or series of preferred stock, which rights (i) are deemed to be transferred with such shares of Common Stock, (ii) are not exercisable and (iii) are also issued in respect of future issuances of Common Stock, in each case until the occurrence of a specified event or events.

Security or Securities: means any security or securities of the Company, as the case may be, without regard to series, authenticated and delivered under this Indenture.

Securityholder, holder, holder of Securities or registered holder: or other similar term, mean any person who shall at the time be the registered holder of any Security or Securities on the Register kept for that purpose in accordance with the provisions of this Indenture.

South Jersey Guarantee: means the guarantee by the Company of distributions on the Preferred Securities of a South Jersey Trust to the extent provided in the Guarantee Agreement (as defined in the related Trust Agreement).

South Jersey Trust and South Jersey Trusts: each have the meaning specified in the recitals to this Indenture.

Stated Maturity: when used with respect to any Security or any installment of principal thereof or interest thereon means the date specified pursuant to the terms of such Security as the date on which the principal of such Security or such installment of principal or interest thereon is due and payable in the case of such principal, as such date may be shortened or extended as provided pursuant to the terms of such Security and this Indenture.

Subsidiary: means any corporation (or the equivalent type of entity in other jurisdictions) more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries. For the purposes of this definition, "voting stock" means stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

Tax Event: means the receipt by the Company and/or a South Jersey Trust of a Tax Event Opinion (as defined in the relevant Trust Agreement, applicable Resolution of the Company, Officer's Certificate or supplemental indenture hereto) to the effect that, as a result of any amendment to, or change (including any announced prospective change) in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or as a result of any official administrative written decision or pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or which pronouncement or decision is announced on or after the date of issuance of the Securities or Preferred Securities of such South Jersey Trust, there is more than an insubstantial risk that (i) the South Jersey Trust is, or will be within 90 days after the date of such Tax Event Opinion, subject to United States federal income tax with respect to income received or accrued on the corresponding series of Securities issued by the Company to such South Jersey Trust, (ii) interest payable by the Company on such corresponding series of Securities is not, or within 90 days of the date of such Tax Event Opinion, will not be, deductible by the Company, in whole or in part, for United States federal income tax purposes, or (iii) the South Jersey Trust is, or will be within 90 days after the date of such Tax Event Opinion, subject to more than a *de minimis* amount of other taxes, duties or other governmental charges.

Trust Agreement: means the Trust Agreement governing any South Jersey Trust, whether now existing or created in the future, which purchased the Securities of any series in each case.

Trustee: means the Person named as the “Trustee” in the first paragraph of this Indenture until a successor replaces it in accordance with the applicable provisions of this Indenture, and thereafter means the successor serving hereunder.

Trust Indenture Act: except as herein otherwise expressly provided or unless the context requires otherwise, the term “Trust Indenture Act” shall mean the Trust Indenture Act of 1939, as amended by the Trust Indenture Reform Act of 1990, as in force at the date as of which this Indenture was originally executed; *provided, however,* that, in the event that the Trust Indenture Act is amended after such date, then “Trust Indenture Act” means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

Trust Securities: has the meaning specified in the recitals to this Indenture.

ARTICLE II **ISSUE, DESCRIPTION, EXECUTION, REGISTRATION OF TRANSFER** **AND EXCHANGE OF SECURITIES**

2.1 Amount, Series and Delivery of Securities. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. The terms of each series (which terms shall not be inconsistent with the provisions of this Indenture), shall either be established in or pursuant to a Resolution of the Company and set forth in an Officer’s Certificate, or set forth in one or more indentures supplemental hereto, prior to the issuance of Securities of such series and shall specify:

- (a) The designation of the Securities of such series (which shall distinguish the Securities of the series from all other Securities and which shall include the words “junior subordinated” or words of like meaning);
- (b) Any limit upon the aggregate principal amount of the Securities of such series which may be executed, authenticated and delivered under this Indenture; *provided, however,* that nothing contained in this Section or elsewhere in this Indenture or in such Securities or in a Resolution of the Company or Officer’s Certificate or supplemental indenture is intended to or shall limit execution by the Company or authentication and delivery by the Trustee of Securities under the circumstances contemplated by Sections 2.5, 2.6, 2.7, 3.2, 3.3 and 10.4;
- (c) The date or dates (if any) on which the principal of the Securities of such series is payable or the method or methods, if any, by which such date or dates shall be determined and the circumstances, if any, under which such date or dates may be shortened or extended, either automatically or at the election of the Company;
- (d) The rate or rates at which the Securities of such series shall bear interest, if any, the rate or rates and extent to which Additional Interest or other interest, if any, shall be payable, the date or dates from which such interest shall accrue, the dates on which such interest shall be payable, the record date for the interest payable on any interest payment date and the right of the Company to defer or extend an interest payment date;
- (e) The place or places where Securities of such series may be presented for payment and for the other purposes provided in Section 4.2;

(f) Any price or prices at which, any period or periods within which, and any terms and conditions upon which Securities of such series may be redeemed or prepaid, in whole or in part, at the option of the Company;

(g) The type or types (if any) of Capital Stock of the Company into which, any period or periods within which, and any terms and conditions upon which Securities of such series may be made payable, converted or exchanged in whole or in part, at the option of the holder or of the Company;

(h) If other than denominations of \$1,000 and any whole multiple thereof, the denominations in which Securities of such series shall be issuable;

(i) If other than the principal amount thereof, the portion of the principal amount of Securities of such series which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 6.1;

(j) If other than such coin or currency of the United States of America as at the time of payment is legal tender for payment of public or private debts, the coin or currency (which may be a composite currency) in which payment of the principal of and interest, if any, on the Securities of such series shall be payable;

(k) If the principal of or interest, if any, on the Securities of such series are to be payable, at the election of the Company or a holder thereof, in a coin or currency (including composite currency) other than that in which the Securities of such series are stated to be payable, the period or periods within which, and the terms and conditions upon which, such election may be made;

(l) If the amounts of payments of principal of or interest, if any, on the Securities of such series may be determined with reference to an index based on a coin or currency (including composite currency) other than that in which the Securities of such series are stated to be payable, or any other index (including commodity or equity indices), the manner in which such amounts shall be determined;

(m) If the Securities of such series are payable at Maturity or upon earlier redemption in Capital Stock, the terms and conditions upon which such payment shall be made;

(n) The person or persons who shall be registrar for the Securities of such series, and the place or places where the Register of Securities of the series shall be kept;

(o) Any deletions from, modifications of or additions to the Events of Default or covenants of the Company with respect to any of such Securities, whether or not such Events of Default or covenants are consistent with the Events of Default or covenants set forth herein;

(p) Whether any Securities of such series are to be issuable in global form with or without coupons, and, if so, the Depositary for such global Securities and whether beneficial owners of interests in any such global Security may exchange such interests for definitive Securities of such series and of like tenor of any authorized form and denomination and the circumstances under which, and the place or places where, any such exchanges may occur, if other than in the manner provided in Section 2.5;

(q) The form of the related Trust Agreement and South Jersey Guarantee, if applicable;

(r) Whether any Securities of such series are subject to any securities law or other restrictions on transfer;

(s) If the principal of or interest, if any, on the Securities of such series are to be payable, at the election of the Company or a holder thereof or otherwise, in Capital Stock, with the proceeds of Capital Stock or from any other specific source of funds, the period or periods within which, and the terms and conditions upon which, such elections and/or payments shall be made;

(t) If either or both of Section 12.5(b) relating to defeasance or Section 12.5(c) relating to covenant defeasance shall not be applicable to the Securities of such series, or any covenants relating to the Securities of such series which shall be subject to covenant defeasance, and any deletions from, modifications or additions to, the provisions of Article XII in respect of the Securities of such series;

(u) If the provisions of Section 4.9 prohibiting the declaration or payment of dividends or distributions on, or redemptions, purchases, acquisitions or liquidation payments with respect to, shares of the Company's Capital Stock shall not be applicable;

(v) if the Company is obligated to redeem or purchase any of such Securities pursuant to any sinking fund or analogous provision or at the option of any holder thereof and, if so, the date or dates on which, the period or periods within which, the price or prices at which and the other terms and conditions upon which such Securities shall be redeemed or purchased, in whole or in part, pursuant to such obligation, and any provisions for the remarketing of such Securities so redeemed or purchased; and

(w) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture);

or in any case, the method for determining such terms, the persons authorized to determine such terms and the limits, if any, within which any such determination of such terms is to be made.

The Securities of all series shall be subordinate to Priority Indebtedness of the Company as provided in Article XIV.

The applicable Resolution of the Company, Officer's Certificate or supplemental indenture may provide that Securities of any particular series may be issued at various times, with different dates on which the principal or any installment of principal is payable, with different rates of interest, if any, or different methods by which interest may be determined, with different dates from which such interest shall accrue, with different dates on which such interest may be payable or with any different terms other than Events of Default but all such Securities of a particular series shall for all purposes under this Indenture including, but not limited to, voting and Events of Default, be treated as Securities of a single series: provided, however, that such additional Securities must be fungible with the previously issued Securities of such series for U.S. federal income tax purposes.

Notwithstanding Section 2.1(b) and unless otherwise expressly provided with respect to a series of Securities, the aggregate principal amount of a series of Securities may be increased and additional Securities of such series may be issued up to the maximum aggregate principal amount authorized with respect to such series as increased.

If any of the terms of any series of Securities are established by action taken pursuant to a Resolution of the Company, a copy of an appropriate record of such action shall be certified by the Corporate Secretary or an Assistant Corporate Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officer's Certificate or supplemental indenture setting forth the terms of the series.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series executed by the Company to the Trustee for authentication by it, and the Trustee shall thereupon authenticate and deliver such Securities to or upon the written order of the Company, signed by any Officer, without any further corporate action by the Company. If the form or terms of the Securities of the series have been established in or pursuant to a Resolution of the Company and set forth in an Officer's Certificate, or set forth in one or more supplemental indentures hereto, as permitted by this Section and Section 2.2, in authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 7.2) shall be fully protected in relying upon an Opinion of Counsel to the effect that:

- (A) the form or forms and terms, or if all Securities of such series are not to be issued at one time, the manner of determining the terms of such Securities, have been established in conformity with the provisions of this Indenture;
- (B) all conditions precedent provided for in this Indenture to the authentication and delivery of such Securities have been complied with; and
- (C) if the Securities of such series have been registered under the Securities Act, that this Indenture has been qualified under the Trust Indenture Act.

The Trustee shall not be required to authenticate such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

If all the Securities of any series are not to be issued at one time, it shall not be necessary to deliver either an Opinion of Counsel or an Officer's Certificate at the time of issuance of each Security, *provided that* such Opinion of Counsel and Officer's Certificate, with appropriate modifications, are instead delivered at or prior to the time of issuance of the first Security of such series.

Each Security shall be dated the date of its authentication.

2.2 Form of Securities and Trustee's Certificate. The Securities of each series shall be substantially of the tenor and terms as shall be authorized in or pursuant to a Resolution of the Company and set forth in an Officer's Certificate, or set forth in an indenture or indentures supplemental hereto in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange or automated quotation system on which the Securities may be listed, or to conform to usage. If the form of Securities of any series is authorized by action taken pursuant to a Resolution of the Company, a copy of an appropriate record of such action shall be certified by the Corporate Secretary or an Assistant Corporate Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officer's Certificate contemplated by Section 2.1 setting forth the terms of the series.

The Securities may be printed, lithographed or fully or partly engraved.

The Trustee's certificate of authentication shall be in substantially the following form:

"This is one of the Securities, of the series designated herein, referred to in the within-mentioned Indenture.

[_____],
as Trustee

By:
Authorized Signatory"

If Securities of a series are issuable in global form, as specified pursuant to Section 2.1, then, notwithstanding clause (h) of Section 2.1 and the provisions of Section 2.3, such Security shall represent such amount of the outstanding Securities of such series as shall be specified therein and may provide that it shall represent the aggregate amount of outstanding Securities of such series from time to time endorsed thereon and that the aggregate amount of outstanding Securities of such series represented thereby may from time to time be increased or reduced to reflect exchanges or transfers (in any event, not to exceed the aggregate principal amount authorized from time to time pursuant to Section 2.1). Any endorsement of a Security in global form to reflect the amount, or any increase or decrease in the amount, of outstanding Securities represented thereby shall be made by the Trustee in such manner and upon instructions given by such person or persons as shall be specified in such Security or by the Company. Subject to the provisions of Section 2.4 and, if applicable, Section 2.6, the Trustee shall deliver and redeliver any Security in global form in the manner and upon written instructions given by the person or persons specified in such Security or by the Company. Any instructions by the Company with respect to endorsement or delivery or redelivery of a Security in global form after the original issuance of the Securities of such series shall be in writing, and shall not be objected to in writing by the Depository, but need not comply with Section 15.4 and need not be accompanied by an Opinion of Counsel.

Unless otherwise specified pursuant to Section 2.1, payment of principal of and any premium and any interest on any Security in global form shall be made to the person or persons specified therein.

The owners of beneficial interests in any global Security shall have no rights under this Indenture with respect to any global Security held on their behalf by a Depositary, and such Depositary may be treated by the Company, the Trustee, and any agent of the Company or the Trustee as the sole holder and owner of such global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by a Depositary, or impair, as between a Depositary and its participants in any global Security, the operation of customary practices governing the exercise of the rights of a holder of a Security of any series, including, without limitation, the granting of proxies or other authorization of participants to give or take any request, demand, authorization, direction, notice, consent, waiver or other action that a holder is entitled to give or take under this Indenture.

None of the Company, the Trustee or any Authenticating Agent will have any responsibility or liability for any act or omission of the Depositary or any aspect of the records relating to or payments made on account of beneficial ownership interests of a global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. The Company has entered into a letter of representations with the Depositary in the form provided by the Depositary and the Trustee and each Agent are hereby authorized to act in accordance with such letter and Applicable Procedures.

Each Depositary designated pursuant to Section 2.1 for a global Security must, at the time of its designation and at all times while it serves as Depositary, be a clearing agency registered under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and any other applicable statute or regulation.

The Company shall be responsible for making calculations called for under the Securities, including but not limited to determination of redemption price, premium, if any, and any additional amounts or other amounts payable on the Securities. The Company will make the calculations in good faith and, absent manifest error, its calculations will be final and binding on the Holders. The Company will provide a schedule of its calculations to the Trustee when requested by the Trustee, and the Trustee is entitled to rely conclusively on the accuracy of the Company’s calculations without independent verification. The Trustee shall forward the Company’s calculations to any Holder of the Securities upon the written request of such Holder.

2.3 Denominations of and Payment of Interest on Securities. The Securities of each series shall be issuable as fully registered Securities without coupons in such denominations as shall be specified as contemplated by Section 2.1 (except as provided in Section 2.2 and Section 2.6). In the absence of any such provisions with respect to the Securities of any series, the Securities of such series shall be issuable in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.

If the Securities of any series shall bear interest, each Security of such series shall bear interest from the applicable date at the rate or rates per annum, and such interest shall be payable on the dates specified on, or determined in the manner provided in, the Security. The person in whose name any Security is registered at the close of business on any record date (as defined below) for the Security with respect to any interest payment date for such Security shall be entitled to receive the interest payable thereon on such interest payment date notwithstanding the cancellation of such Security upon any registration of transfer, exchange or conversion thereof subsequent to such record date and prior to such interest payment date, unless such Security shall have been called for redemption on a date fixed for redemption subsequent to such record date and prior to such interest payment date or unless the Company shall default in the payment of interest due on such interest payment date on such Security, in which case such defaulted interest shall be paid to the person in whose name such Security (or any Security or Securities issued upon registration of transfer or exchange thereof) is registered at the close of business on the record date for the payment of such defaulted interest, or except as otherwise specified as contemplated by Section 2.1. The term “record date” as used in this Section with respect to any regular interest payment date for any Security shall mean such day or days as shall be specified as contemplated by Section 2.1; *provided, however*, that in the absence of any such provisions with respect to any Security, such term shall mean: (1) if such interest payment date is the first day of a calendar month, the fifteenth day of the calendar month next preceding such interest payment date; or (2) if such interest payment date is the fifteenth day of a calendar month, the first day of such calendar month; in each case whether or not a Business Day. Such term, as used in this Section, with respect to the payment of any defaulted interest on any Security shall mean (except as otherwise specified as contemplated by Section 2.1) the fifth day next preceding the date fixed by the Company for the payment of defaulted interest, established by notice given by first class mail by or on behalf of the Company to the holder of such Security not less than 10 days preceding such record date, or, if such fifth day is not a Business Day, the Business Day next preceding such fifth day.

2.4 Execution of Securities. The Securities shall be signed on behalf of the Company, manually or in facsimile, by any Officer. Only such Securities as shall bear thereon a certificate of authentication substantially in the form recited herein, executed by or on behalf of the Trustee manually by an authorized officer, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certificate of authentication by the Trustee upon any Security executed by the Company shall be conclusive evidence that the Security so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Indenture. Typographical or other errors or defects in the seal or facsimile signature on any Security or in the text thereof shall not affect the validity or enforceability of such Security if it has been duly authenticated and delivered by the Trustee.

In case any officer of the Company who shall have signed any of the Securities, manually or in facsimile, shall cease to be such officer before the Securities so signed shall have been authenticated and delivered by the Trustee, or disposed of by the Company, such Securities nevertheless may be authenticated and delivered or disposed of as though the person who signed such Securities had not ceased to be such officer of the Company; and any Security may be signed on behalf of the Company, manually or in facsimile, by such person as, at the actual date of the execution of such Security, shall be the proper officer of the Company, although at the date of the execution of this Indenture any such person was not such officer.

2.5 Registration, Transfer and Exchange of Securities. Securities of any series (other than a global Security, except as set forth below) may be exchanged for a like aggregate principal amount of Securities of the same series of the same tenor and terms of other authorized denominations. Securities to be exchanged shall be surrendered at the offices or agencies to be maintained by the Company in accordance with the provisions of Section 4.2 and the Company shall execute and upon the written order of the Company, the Trustee shall authenticate and deliver, or cause to be authenticated and delivered, in exchange therefor the Security or Securities which the Securityholder making the exchange shall be entitled to receive.

The Company shall keep, at one of the offices or agencies to be maintained by the Company in accordance with the provisions of Section 4.2 with respect to the Securities of each series, a Register (the “Register”) in which, subject to such reasonable regulations as it may prescribe, the Company shall register the Securities of such series and the transfer of Securities of such series as in this Article provided. Such Register shall be in written form or in any other form capable of being converted into written form within a reasonable time. At all reasonable times the Register shall be open for inspection by the Trustee and any registrar of the Securities of such series other than the Trustee. Upon due presentment for registration of transfer of any Security of any series at the offices or agencies of the Company to be maintained by the Company in accordance with Section 4.2 with respect to the Securities of such series, the Company shall execute and register and upon the written order of the Company, the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Security or Securities of the same series of like tenor and terms for a like aggregate principal amount of authorized denominations.

Every Security issued upon registration of transfer or exchange of Securities pursuant to this Section shall be the valid obligation of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Security or Securities surrendered upon registration of such transfer or exchange.

All Securities of any series presented or surrendered for exchange, registration of transfer, redemption, conversion or payment shall, if so required by the Company or any registrar of the Securities of such series, be accompanied by a written instrument or instruments of transfer, in form satisfactory to the Company and such registrar, duly executed by the registered holder or by its attorney duly authorized in writing.

No service charge shall be made for any exchange or registration of transfer of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

The Company shall not be required to exchange or register the transfer of (a) any Securities of any series during a period beginning at the opening of business fifteen days before the day of the mailing of a notice of redemption of outstanding Securities of such series and ending at the close of business on the relevant redemption date, or (b) any Securities or portions thereof called or selected for redemption, except, in the case of Securities called for redemption in part, the portion thereof not so called for redemption.

Notwithstanding any other provision of this Section, unless and until it is exchanged in whole or in part for Securities in definitive form, a global Security representing all or a portion of the Securities of a series may not be transferred, except as a whole by the Depositary for such series to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor Depositary for such series or a nominee of such successor Depositary.

Notwithstanding the foregoing, except as otherwise specified pursuant to Section 2.1, any global Security shall be exchangeable pursuant to this Section only as provided in this paragraph. If at any time the Depositary for the Securities of a series notifies the Company that it is unwilling or unable to continue as Depositary for the Securities of such series, or if at any time the Depositary for the Securities of such series shall cease to be a “clearing agency” registered under the Exchange Act, the Company shall appoint a successor Depositary with respect to the Securities of such series. If (a) a successor Depositary for the Securities of such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility (thereby automatically making the Company’s election pursuant to Section 2.1 no longer effective with respect to the Securities of such series), (b) the beneficial owners of interests in a global Security are entitled to exchange such interests for definitive Securities of such series and of the same tenor and terms, as specified pursuant to Section 2.1, (c) there shall have occurred and be continuing an Event of Default with respect to the Securities of such series, or (d) the Company in its sole discretion and subject to the procedures of the Depositary determines that the Securities of any series issued in the form of one or more global Securities shall no longer be represented by such global Security or Securities, then without unnecessary delay, but, if appropriate, in any event not later than the earliest date on which such interest may be so exchanged, the Company shall deliver to the Trustee definitive Securities in aggregate principal amount equal to the principal amount of such global Security, executed by the Company and authenticated by the Trustee. On or after the earliest date on which such interests are or may be so exchanged, such global Security shall be surrendered by the Depositary to the Trustee, as the Company’s agent for such purpose, to be exchanged, in whole or from time to time in part, for definitive Securities upon payment by the beneficial owners of such interest, at the option of the Company, of a service charge for such exchange and of a proportionate share of the cost of printing such definitive Securities, upon the written order of the Company, and the Trustee shall authenticate and deliver, (a) to each person specified by the Depositary in exchange for each portion of such global Security, an equal aggregate principal amount of definitive Securities of the same series of authorized denominations and of the same tenor and terms as the portion of such global Security to be exchanged, and (b) to such Depositary a global Security in a denomination equal to the difference, if any, between the principal amount of the surrendered global security and the aggregate principal amount of definitive Securities delivered to holders thereof; *provided, however,* that no such exchanges may be required during a period beginning at the opening of business 15 days before any selection of Securities of that series to be redeemed and ending on the relevant redemption date. If a Security is issued in exchange for any portion of a global Security after the close of business at the office or agency where such exchange occurs on (i) any record date and before the opening of business at such office or agency on the relevant interest payment date, or (ii) any record date for the payment of defaulted interest and before the opening of business at such office or agency on the related proposed date for payment of defaulted interest, then interest or default interest, as the case may be, will not be payable on such interest payment date or proposed date for payment of defaulted interest, as the case may be, in respect of such Security, but will be payable on such interest payment date or proposed date for payment of defaulted interest, as the case may be, only to the person to whom interest in respect of such portion of such global Security is payable in accordance with the provisions of this Indenture and such global Security.

2.6 **Temporary Securities.** Pending the preparation of definitive Securities of any series, the Company may execute and the Trustee shall, upon the written order of the Company, authenticate and deliver temporary Securities of such series (printed or lithographed) of any denomination and substantially in the form of the definitive Securities of such series, but with or without a recital of specific redemption prices or conversion provisions and with such omissions, insertions and variations as may be appropriate for temporary Securities, all as may be determined by the Company. Temporary Securities may contain such reference to any provisions of this Indenture as may be appropriate. Every such temporary Security shall be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with the same effect, as the definitive Securities. Without unreasonable delay the Company will execute and deliver to the Trustee definitive Securities of such series and thereupon any or all temporary Securities of such series may be surrendered in exchange therefor, at the offices or agencies to be maintained by the Company as provided in Section 4.2 with respect to the Securities of such series, and the Trustee shall, upon the written order of the Company, authenticate and deliver in exchange for such temporary Securities an equal aggregate principal amount of definitive Securities of such series. Until so exchanged, the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series authenticated and delivered hereunder.

2.7 **Mutilated, Destroyed, Lost or Stolen Securities.** In case any temporary or definitive Security shall become mutilated or be destroyed, lost or stolen, the Company, in the case of any mutilated Security shall, and in the case of any destroyed, lost or stolen Security in its discretion may, execute, and upon its written request the Trustee shall authenticate and deliver, or cause to be authenticated and delivered, a new Security of the same series of like tenor and terms in exchange and substitution for the mutilated Security, or in lieu of and in substitution for the Security so destroyed, lost or stolen. In case any such Security shall have matured or shall be about to mature, instead of issuing a substituted Security, the Company may pay or authorize payment of the same (without surrender thereof, except in the case of a mutilated Security). In every case the applicant for a substituted Security or for such payment shall furnish to the Company and the Trustee such security and/or indemnity as may be required by them to save each of them harmless, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Company and to the Trustee evidence to their satisfaction of the destruction, loss or theft of such Security and of the ownership thereof. Upon the written order of the Company, the Trustee may authenticate any such substituted Security and deliver the same, or the Trustee or any Paying Agent of the Company may make any such payment, upon the written request or authorization of any officer of the Company. Upon the issue of any substituted Security, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other reasonable expenses connected therewith (including the fees and expenses of the Trustee).

To the extent permitted by mandatory provisions of law, every substituted Security issued pursuant to the provisions of this Section in substitution for any destroyed, lost or stolen Security shall constitute an additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be found at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of the same series duly issued hereunder.

To the full extent legally enforceable, all Securities shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities and shall preclude any and all other rights or remedies notwithstanding any law or statute now existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

2.8 **Cancellation and Disposition of Surrendered Securities.** All Securities surrendered for the purpose of payment, redemption, exchange, substitution or registration of transfer, shall, if surrendered to the Company or any agent of the Company or of the Trustee, be delivered to the Trustee, and the same, together with Securities surrendered to the Trustee for cancellation, shall be canceled by it, and no Securities shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. The Trustee shall dispose of canceled Securities in accordance with its customary procedures and deliver a certificate of cancellation thereof to the Company upon request. If the Company shall purchase or otherwise acquire any of the Securities, however, such purchase or acquisition shall not operate as a payment, redemption or satisfaction of the indebtedness represented by such Securities unless and until the Company, at its option, shall deliver or surrender the same to the Trustee for cancellation.

2.9 Authenticating Agents. The Trustee may from time to time appoint one or more Authenticating Agents with respect to one or more series of Securities, which shall be authorized to act on behalf of the Trustee and subject to its direction in authenticating and delivering Securities of such series pursuant hereto in connection with exchanges, registrations of transfer, redemptions or conversions, as fully to all intents and purposes as though any such Authenticating Agent had been expressly authorized to authenticate and deliver Securities of such series, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as though authenticated by the Trustee. Wherever reference is made in this Indenture to the authentication or delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication or delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall at all times be a corporation (including a banking association) organized and doing business under the laws of the United States or any State or territory thereof or of the District of Columbia, having a combined capital and surplus of at least five million dollars (\$5,000,000) authorized under such laws to exercise corporate trust powers and subject to supervision or examination by federal, state, territorial, or District of Columbia authorities. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect herein specified in this Section.

Any corporation succeeding to the corporate agency business of an Authenticating Agent shall continue to be an Authenticating Agent, if such successor corporation is otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent or such successor corporation.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice of termination to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent herein. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section.

Any Authenticating Agent by the acceptance of its appointment shall be deemed to have agreed with the Trustee that: it will perform and carry out the duties of an Authenticating Agent as herein set forth, including among other things the duties to authenticate and deliver Securities of any series for which it has been appointed an Authenticating Agent when presented to it in connection with exchanges, registrations of transfer or any redemptions or conversions thereof; it will furnish from time to time as requested by the Trustee appropriate records of all transactions carried out by it as Authenticating Agent and will furnish the Trustee such other information and reports as the Trustee may reasonably require; it is eligible for appointment as Authenticating Agent under this Section and will notify the Trustee promptly if it shall cease to be so qualified; and it will indemnify the Trustee against any loss, liability or expense incurred by the Trustee and will defend any claim asserted against the Trustee by reason of any acts or failures to act of the Authenticating Agent but it shall have no liability for any action taken by it at the specific written direction of the Trustee.

2.10 Deferrals of Interest Payment Dates. If specified as contemplated by Section 2.1 or Section 2.2 with respect to the Securities of a particular series, the Company shall have the right, at any time during the term of such series, from time to time to defer the payment of interest on such Securities for such period or periods as may be specified as contemplated by Section 2.1 (each, an "Extension Period"). No Extension Period shall end on a date other than an interest payment date or extend beyond the Stated Maturity. Except as otherwise contemplated in Section 2.1 or Section 2.2, at the end of any such Extension Period the Company shall pay all interest then accrued and unpaid on the Securities (together with Additional Interest or other interest thereon, if any, at the rate specified for the Securities of such series to the extent permitted by applicable law).

2.11 **Right of Set-Off.** With respect to the Securities of a series issued to a South Jersey Trust, notwithstanding anything to the contrary in this Indenture (but subject to the last paragraph of Section 6.5), the Company shall have the right to set off any payment it is otherwise required to make thereunder in respect of any such Security to the extent the Company has theretofore made, or is concurrently on the date of such payment making, such payment under the South Jersey Guarantee relating to such Security or under Section 6.5 of this Indenture.

2.12 **Shortening or Extension of Stated Maturity.** If specified as contemplated by Section 2.1 or Section 2.2 with respect to the Securities of a particular series, the Company shall have the right to (i) shorten the Stated Maturity of the principal of the Securities of such series at any time to any date and (ii) extend the Stated Maturity of the principal of the Securities of such series at any time at its election for one or more periods; *provided that*, if the Company elects to exercise its right to shorten or extend the Stated Maturity of the principal of the Securities of such series pursuant to this Section, at the time such election is made and at the time of such shortening or extension, such conditions as may be specified in such Securities shall have been satisfied.

2.13 **Agreed Tax Treatment.** Each Security issued hereunder shall provide that the Company and, by its acceptance of a Security or a beneficial interest therein, the holder of, and any Person that acquires a beneficial interest in, such Security agree that for United States federal, state and local tax purposes it is intended that such Security constitute indebtedness.

2.14 **CUSIP and Other Numbers.** The Company in issuing the Securities may use “CUSIP” numbers, ISIN numbers or other similar identifiers (if then generally in use), and, if so, the Trustee may use such numbers in notices as a convenience to holders of Securities; *provided that* the Trustee shall have no liability for any defect in the “CUSIP” numbers as they appear on any Security, notice or elsewhere, and *provided further that* any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such notice shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee of any change in CUSIP, ISIN or other numbers assigned to the Securities.

ARTICLE III REDEMPTION OF SECURITIES

3.1 **Applicability of Article.** Securities of any series which are redeemable prior to Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 2.1 for Securities of any series) in accordance with this Article.

3.2 **Mailing of Notice of Redemption.** In case the Company shall desire to exercise any right to redeem all or, as the case may be, any part of the Securities of any series pursuant to this Indenture, it shall give notice of such redemption to holders of the Securities to be redeemed as hereinafter in this Section provided.

The Company covenants that it will pay to the Trustee or one or more Paying Agents, by 11:00 a.m., New York City time, on the date of such redemption, a sum in cash sufficient to redeem on the redemption date all the Securities so called for redemption at the applicable redemption price, together with any accrued interest on the Securities to be redeemed to but excluding the date fixed for redemption; provided, however, that to the extent any such funds are received by the Trustee or the Paying Agent from the Company after 11:00 am, New York City time, on such due date (such receipt, a “Late Redemption Payment”), such funds will be deemed received by the Trustee or the Paying Agent, as the case may be, on the next succeeding Business Day, and neither the Trustee nor the Paying Agent shall be liable for any default by the Company in payment of the applicable redemption price if such funds are not paid to Holders on such due date as a result of such Late Redemption Payment.

Notice of redemption shall be given to the holders of Securities to be redeemed as a whole or in part, in the case of global Securities, by sending or causing such notice to be sent in accordance with Applicable Procedures, or in the case of Securities that are not global Securities, by mailing by first class mail, postage prepaid, a notice of such redemption not less than 20 days nor more than 60 days prior to the date fixed for redemption to their last addresses as they shall appear upon the Register, but failure to give such notice by mailing in the manner herein provided to the holder of any Security designated for redemption as a whole or in part, or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Security.

Notice of any redemption, may, at the Company's discretion, be given subject to one or more conditions precedent, including, without limitation, upon the receipt by the Paying Agent or Agents for the Securities, on or prior to the date fixed for such redemption, of money sufficient to pay the principal of and premium, if any, and interest, if any, on such Securities. If any such condition precedent has not been satisfied, the Company will provide notice to the Trustee not less than two Business Days prior to the redemption date that such condition precedent has not been satisfied, the notice of redemption is rescinded and the redemption subject to the satisfaction of such condition precedent shall not occur. The Trustee shall promptly send a copy of such notice to the Holders of the Notes.

Any notice which is sent in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the holder receives the notice.

Each such notice of redemption shall identify the Securities to be redeemed (including CUSIP numbers provided that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Securities), the paragraph of the Securities and/or Section of this Indenture pursuant to which the Securities called for redemption are being redeemed, any conditions precedent to such redemption described in reasonable detail, and specify the date fixed for redemption and the redemption price at which Securities are to be redeemed (or if the redemption price cannot be calculated prior to the time the notice is required to be given, the manner of calculation thereof), and shall state that payment of the redemption price of the Securities or portions thereof to be redeemed will be made at any of the offices or agencies to be maintained by the Company in accordance with the provisions of Section 4.2 with respect to the Securities to be redeemed, upon presentation and surrender of such Securities or portions thereof, and that, if applicable, interest accrued to the date fixed for redemption will be paid as specified in said notice and, unless the Company defaults in the payment of such Securities at the applicable redemption price, on and after said date interest thereon will cease to accrue and shall also specify, if applicable, the conversion price and the date on which the right to convert the Securities will expire and that holders must comply with the terms of the Securities in order to convert their Securities. If less than all the Securities of any series are to be redeemed, the notice of redemption to each holder shall specify such holder's Securities of such series to be redeemed as a whole or in part. In case any Security is to be redeemed in part only, the notice which relates to such Security shall state the portion of the principal amount thereof to be redeemed (which shall be equal to an authorized denomination for Securities of such series), and shall state that on and after the redemption date, upon surrender of such Security, the holder will receive the redemption price in respect to the principal amount thereof called for redemption and, without charge, a new Security or Securities of the same series of authorized denominations for the principal amount thereof remaining unredeemed.

In the case of any redemption at the election of the Company, the Company shall, at least 10 days prior to the date fixed for redemption (unless a shorter notice shall be satisfactory to the Trustee or a longer period is required by Depositary for such global Security), notify the Trustee of such redemption date, the basis for such redemption and of the principal amount of Securities of the applicable series to be redeemed. At the Company's request, the Trustee shall give the notice of redemption in the Company's name and at its expense; *provided, however,* that the Company shall have delivered to the Trustee, at least 10 days prior to the redemption date (unless a shorter period shall be satisfactory to the Trustee or a longer period is required by Depositary for such global Security), an Officer's Certificate requesting that the Trustee give such notice together with the notice to be given setting forth the information to be stated therein as provided in the preceding paragraph. In the case of any redemption of Securities prior to the expiration of any restriction on such redemption provided in the terms of such Securities or that is subject to compliance with conditions provided in the terms of such Securities, the Company shall furnish the Trustee with an Officer's Certificate evidencing compliance with such restriction or conditions. If less than all the Securities of such series are to be redeemed, and the Securities are global Securities, they will be selected for redemption in accordance with the Applicable Procedures. If the Securities are not global Securities, thereupon the Trustee shall select, by lot, or in any manner it shall deem fair and appropriate, the Securities of such series to be redeemed as a whole or in part and shall thereafter promptly notify the Company in writing of the particular Securities of such series or portions thereof to be redeemed. If the Securities of any series to be redeemed consist of Securities having different dates on which the principal or any installment of principal is payable or different rates of interest, if any, or different methods by which interest may be determined or have any other different tenor or terms, then the Company may, by written notice to the Trustee, direct that Securities of such series to be redeemed shall be selected from among groups of such Securities having specified tenor or terms and the Trustee shall thereafter select the particular Securities to be redeemed in the manner set forth in the preceding sentence from among the group of such Securities so specified.

3.3 When Securities Called for Redemption Become Due and Payable. If the giving of notice of redemption shall have been completed as above provided, the Securities or portions of Securities specified in such notice shall become due and payable on the date and at the place or places stated in such notice at the applicable redemption price, together, if applicable, with any interest accrued (including any Additional Interest or other interest) to but excluding the date fixed for redemption and on and after such date fixed for redemption (unless the Company shall default in the payment of such Securities at the applicable redemption price, together with any interest accrued to the date fixed for redemption, or unless otherwise specified as contemplated by Section 2.1) any interest on the Securities or portions of Securities so called for redemption shall cease to accrue, and, except as provided in Sections 7.5 and 12.4, such Securities shall cease from and after the date fixed for redemption to be entitled to any benefit or security under this Indenture, and the holders thereof shall have no right in respect of such Securities except the right to receive the redemption price thereof and any unpaid interest accrued to but excluding the date fixed for redemption. On presentation and surrender of such Securities at said place of payment in said notice specified, such Securities or portions thereof shall be paid and redeemed by the Company at the applicable redemption price, together with any interest accrued to but excluding the date fixed for redemption; *provided, however,* that, except as otherwise specified as contemplated by Section 2.1, any regular payment of interest becoming due on the date fixed for redemption shall be payable to the holders of the Securities registered as such on the relevant record date as provided in Article II hereof. Upon surrender of any Security which is redeemed in part only, the Company shall execute and upon the written order of the Company, the Trustee shall authenticate and deliver at the expense of the Company a new Security of the same series of like tenor and terms of authorized denomination in principal amount equal to the unredeemed portion of the Security so surrendered; except that if a global Security is so surrendered, the Company shall execute, and upon the written order of the Company, the Trustee shall authenticate and deliver to the Depositary for such global Security, without service charge, a global Security in a denomination equal to and in exchange for the unredeemed portion of the principal of the global Security so surrendered.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the date fixed for redemption at the rate borne by or prescribed therefor in the Security, or, in the case of a Security which does not bear interest, at the rate of interest set forth therefor in the Security to the extent permitted by law.

3.4 Exclusion of Certain Securities from Eligibility for Selection for Redemption. Securities shall be excluded from eligibility for selection for redemption if they are identified by registration and certificate number in an Officer's Certificate delivered to the Trustee at least 10 days prior to the last date on which notice of redemption may be given under the terms hereof as being owned of record and beneficially by, and not pledged or hypothecated by either (a) the Company or (b) an entity specifically identified in such Officer's Certificate as an affiliate of the Company.

ARTICLE IV
PARTICULAR COVENANTS OF THE COMPANY

The Company covenants as follows:

4.1 Payment of Principal of and Interest on Securities. The Company will duly and punctually pay or cause to be paid the principal of and interest (including any Additional Interest and/or Additional Tax Sums due thereon), if any, on each of the Securities at the time and places and in the manner provided herein and in the Securities. Except as otherwise specified as contemplated by Section 2.1, if the Securities of any series bear interest, each installment of interest on the Securities of such series may at the option of the Company be paid (i) by mailing a check or checks for such interest payable to the Person entitled thereto pursuant to Section 2.3 to the address of such person as it appears on the Register of Securities of such series or (ii) by transfer to an account maintained by the Person entitled thereto as specified in the Register of Securities, *provided that* proper transfer instructions have been received by the record date.

Additional Interest and Additional Tax Sums will be payable in arrears on each Interest Payment Date following accrual in the same manner as regular interest on the Securities. If Additional Interest or Additional Tax Sums is payable on the Securities, the Company shall provide an Officer's Certificate to the Trustee on or before the record date for each Interest Payment Date such Additional Interest or Additional Tax Sums is payable setting forth the accrual period and the amount of such Additional Interest or Additional Tax Sums in reasonable detail. The Trustee may provide a copy of such Officer's Certificate or other notice received from the Company relating to Additional Interest or Additional Tax Sums to any Holder upon request. Unless and until a Responsible Officer of the Trustee receives at the Corporate Trust Office such a certificate, the Trustee may assume without inquiry that no such Additional Interest or Additional Tax Sums is payable. If the Company has paid Additional Interest or Additional Tax Sums directly to the Persons entitled to it, the Company shall deliver to the Trustee an Officer's Certificate setting forth the particulars of such payment.

4.2 Maintenance of Offices or Agencies for Registration of Transfer, Exchange and Payment of Securities. So long as any of the Securities shall remain outstanding, the Company will maintain an office or agency in the continental United States where the Securities may be presented for registration, conversion, exchange and registration of transfer as in this Indenture provided, and where notices and demands to or upon the Company in respect of the Securities or of this Indenture may be served, and where the Securities may be presented for payment. In case the Company shall designate and maintain some office or agency other than the previously designated office or agency, it shall give the Trustee prompt written notice thereof. In case the Company shall fail to maintain any such office or agency or shall fail to give such notice of the location or of any change in the location thereof to the Trustee, presentations and demands may be made and notices may be served at the Corporate Trust Office of the Trustee.

In addition to such office or agency, the Company may from time to time constitute and appoint one or more other offices or agencies for such purposes with respect to Securities of any series, and one or more paying agents for the payment of Securities of any series, in such cities or in one or more other cities, and may from time to time rescind such appointments, as the Company may deem desirable or expedient, and as to which the Company has notified the Trustee.

4.3 Appointment to Fill a Vacancy in the Office of Trustee. The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 7.10, a Trustee, so that there shall at all times be a Trustee with respect to each series of Securities hereunder.

4.4 Duties of Paying Agent.

(a) If the Company shall appoint a Paying Agent other than the Trustee with respect to Securities of any series, it will cause such Paying Agent to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section and Section 12.3.

(i) that it will hold all sums held by it as such agent for the payment of the principal of or interest, if any, on the Securities of such series (whether such sums have been paid to it by the Company or by any other obligor on the Securities of such series) in trust for the benefit of the holders of the Securities of such series entitled to such principal or interest and will notify the Trustee of the receipt of sums to be so held;

(ii) that it will give the Trustee notice of any failure by the Company (or by any other obligor on the Securities of such series) to make any payment of the principal of or interest on the Securities of such series when the same shall be due and payable, and

(iii) that it will at any time during the continuance of any Event of Default, upon the written request of the Trustee, deliver to the Trustee all sums so held in trust by it.

(b) Whenever the Company shall have one or more Paying Agents with respect to the Securities of any series, it will, on or prior to each due date of the principal of or any interest on a Security of such series, deposit with a Paying Agent of such series a sum sufficient to pay the principal or interest so becoming due, such sum to be held in trust for the benefit of the holders of Securities of such series entitled to such principal or interest, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

(c) If the Company shall act as its own Paying Agent with respect to the Securities of any series, it will, on or before each due date of the principal of or any interest on a Security of such series, set aside, segregate and hold in trust for the benefit of the holder of such Security, a sum sufficient to pay such principal or interest so becoming due and will notify the Trustee of such action, or any failure by it or any other obligor on the Securities of such series to take such action and will at any time during the continuance of any Event of Default, upon the written request of the Trustee, deliver to the Trustee all sums so held in trust by it.

(d) Anything in this Section to the contrary notwithstanding, the Company may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture with respect to one or more or all series of Securities hereunder, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust for such series by it, or any Paying Agent hereunder, as required by this Section, such sums are to be held by the Trustee upon the trust herein contained.

(e) Anything in this Section to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section is subject to the provisions of Sections 12.2, 12.3 and 12.4.

4.5 Further Assurances. From time to time whenever reasonably demanded by the Trustee, the Company will make, execute and deliver or cause to be made, executed and delivered any and all such further and other instruments and assurances and take all such further action as may be reasonably necessary or proper to carry out the intention of or to facilitate the performance of the terms of this Indenture or to secure the rights and remedies hereunder of the holders of the Securities of any series.

4.6 Officer's Certificate as to Defaults; Notices of Certain Defaults. The Company will, so long as any of the Securities are outstanding, deliver to the Trustee no later than 120 days after the end of each calendar year, a certificate that need not comply with Section 15.4 signed by the Company's principal executive officer, principal financial officer or principal accounting officer stating that a review has been made under his or her supervision of the activities of the Company during such year and of the performance under this Indenture and, to his or her knowledge, the Company has complied with all conditions and covenants under this Indenture throughout such calendar year, or if there has been a default in the fulfillment of any such obligation, specifying each such default known and the nature and status thereof. For purposes of this Section, such compliance shall be determined without regard to any period of grace or requirement of notice provided under this Indenture. In addition, the Company shall give the notice to the Trustee as and when required by the fourth paragraph of Section 14.1.

4.7 Waiver of Covenants. The Company may omit in any particular instance to comply with any covenant or condition specifically contained in this Indenture for the benefit of one or more series of Securities, if before the time for such compliance the holders of a majority in principal amount of the Securities of all series affected (all series voting as one class) at the time outstanding (determined as provided in Section 8.4) shall waive such compliance in such instance, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such covenant or condition shall remain in full force and effect.

4.8 Additional Tax Sums. In the case of the Securities of a series issued to a South Jersey Trust, so long as no Event of Default has occurred and is continuing and except as otherwise specified as contemplated by Section 2.1 or Section 2.2, in the event that (i) a South Jersey Trust is the holder of all of the Outstanding Securities of such series, (ii) a Tax Event in respect of such South Jersey Trust shall have occurred and be continuing and (iii) the Company shall not have (a) redeemed the Securities of such series or (b) terminated such South Jersey Trust pursuant to the termination provisions of the related Trust Agreement, the Company shall pay to such South Jersey Trust (and any permitted successor or assign under the related Trust Agreement) for so long as such South Jersey Trust (or its permitted successor or assignee) is the registered holder of any Securities of such series, such additional amounts as may be necessary in order that the amount of Distributions then due and payable by such South Jersey Trust on the related Preferred Securities and Common Securities that at any time remain outstanding in accordance with the terms thereof shall not be reduced as a result of any additional taxes, duties and other governmental charges to which such South Jersey Trust has become subject as a result of such Tax Event (but not including withholding taxes imposed in respect of, or on payments to, holders of such Preferred Securities and Common Securities) (the "Additional Tax Sums"). Whenever in this Indenture or the Securities there is a reference in any context to the payment of principal or interest on the Securities, such reference shall be deemed to include payment of the Additional Tax Sums provided for in this paragraph to the extent that, in such context, Additional Tax Sums are, were or would be payable in respect thereof pursuant to the provisions of this Section and express reference to the payment of Additional Tax Sums (if applicable) in any provisions hereof shall not be construed as excluding Additional Tax Sums in those provisions hereof where such express reference is not made; *provided, however*, that the deferral of the payment of interest pursuant to Section 2.10 or the terms of the Securities shall not defer the payment of any Additional Tax Sums that may be then due and payable.

4.9 Additional Covenants. The Company covenants and agrees with each holder of Securities of a series issued to a South Jersey Trust and, to the extent not excluded from the terms of other series of Securities pursuant to Section 2.1(u) hereof, with each holder of the Securities of other series issued hereunder, that it shall not (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any shares of the Company's Capital Stock (which includes Common Stock and preferred stock), or (ii) make any payment of principal of or interest or premium, if any, on or repay, repurchase or redeem any debt securities of the Company that rank on a parity with or junior to the Securities of such series or make any guarantee payments with respect to any South Jersey Guarantee or other guarantee by the Company of debt securities of any Subsidiary that by its terms ranks on a parity with or junior to the Securities of such series (other than (a) dividends or distributions in Common Stock; (b) any declaration of a dividend in connection with the implementation of a Rights Plan, the issuance of any Capital Stock of any class or series of preferred stock of the Company under any Rights Plan or the redemption or repurchase of any rights distributed pursuant to a Rights Plan; (c) if applicable, payments under any South Jersey Guarantee relating to the Preferred Securities issued by the South Jersey Trust holding the Securities of such series; and (d) purchases of Common Stock related to the issuance of Common Stock or rights under any of the Company's benefit plans for its directors, officers, employees, consultants or advisors) if at such time (i) the Company shall be in default with respect to its payment of any obligations under a related South Jersey Guarantee or (ii) the Company shall have given notice of its election to begin an Extension Period as provided in Section 2.10 and shall not have rescinded such notice, or such Extension Period, or any extension thereof, shall be continuing.

The Company also covenants with each holder of Securities of a series issued to a South Jersey Trust (i) to maintain directly or indirectly 100% ownership of the Common Securities of such South Jersey Trust; *provided, however*, that any permitted successor or assignee of the Company hereunder may succeed to the Company's ownership of such Common Securities, (ii) not to voluntarily terminate, wind up or liquidate such South Jersey Trust, except (a) in connection with a prepayment in full of the Securities or a distribution of the Securities of such series to the holders of Preferred Securities in liquidation of such South Jersey Trust or (b) in connection with certain mergers, consolidations or amalgamations permitted by the relevant Trust Agreement and (iii) to use its commercially reasonable efforts, consistent with the terms and provisions of such Trust Agreement, to cause such South Jersey Trust to remain classified as a grantor trust and not an association taxable as a corporation for United States federal income tax purposes.

4.10 Calculation of Original Issue Discount. To the extent applicable with respect to Securities of a series, the Company shall file with the Trustee promptly at the end of each calendar year or as soon as practicable thereafter (i) a written notice specifying the amount of original issue discount (including daily rates and accrual periods) accrued on outstanding Securities as of the end of such year and (ii) such other specific information relating to such original issue discount as is relevant under the Internal Revenue Code of 1986, as amended from time to time.

ARTICLE V SECURITYHOLDERS' LISTS AND REPORTS BY THE COMPANY AND THE TRUSTEE

5.1 Company to Furnish Trustee Information as to the Names and Addresses of Securityholders. The Company covenants and agrees that it will furnish or cause to be furnished to the Trustee, semiannually not more than 15 days after each record date for payment of interest, and at such other times as the Trustee may request in writing within 30 days after receipt by the Company of any such request, a list in such form as the Trustee may reasonably require containing all information in the possession or control of the Company, or any Paying Agent or any registrar of the Securities of each series, other than the Trustee, as to the names and addresses of the holders of Securities of such series obtained (in the case of each list other than the first list) since the date as of which the next previous list was furnished; *provided, however,* that if the Trustee shall be the registrar of the Securities of such series, no such list need be furnished; and *provided further* that the Company shall not be obligated to provide such a list of Securityholders at any time the list of Securityholders does not differ from the most recent list of Securityholders given to the Trustee by the Company. Any such list may be dated as of a date not more than fifteen days prior to the time such information is furnished or caused to be furnished, and need not include information received after such date.

5.2 Trustee to Preserve Information as to the Names and Addresses of Securityholders Received by It.

The Trustee shall comply with the obligations imposed upon it pursuant to Section 312 of the Trust Indenture Act.

Each and every holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any Paying Agent nor any registrar shall be held accountable by reason of the disclosure of any information as to the names and addresses of the holders of Securities in accordance with Section 312(b) of the Trust Indenture Act, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 312(b) of the Trust Indenture Act.

5.3 Annual and Other Reports to be Filed by Company with Trustee.

(a) The Company covenants and agrees to file with the Trustee within fifteen days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act.

(b) The Company covenants and agrees to file with the Trustee and the Commission, in accordance with the rules and regulations prescribed from time to time by the Commission, such additional information, documents, and reports with respect to compliance by the Company with the conditions and covenants provided for in this Indenture as may be required from time to time by such rules and regulations.

(c) The Company covenants and agrees to transmit to the holders of Securities within 30 days after the filing thereof with the Trustee, in the manner and to the extent provided in subsection (c) of Section 5.4 with respect to reports pursuant to subsection (a) of said Section 5.4, such summaries of any information, documents and reports required to be filed by the Company pursuant to subsections (a) and (b) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

(d) Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officer's Certificates and certificates delivered pursuant to Section 4.6).

(e) The Company shall be deemed to have complied with Sections 5.3(a), (b) and (c) to the extent that such information, documents and reports are filed with the Commission via EDGAR (or any successor electronic delivery procedure); provided, however, that the Trustee shall have no duty to determine if such filing occurred.

5.4 Trustee to Transmit Annual Report to Securityholders.

(a) The Trustee shall transmit to Holders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto. If required by Section 313(a) of the Trust Indenture Act, the Trustee shall, within sixty days after each [] following the date of the initial issuance of Securities under this Indenture deliver to Holders a brief report, dated as of such [], which complies with the provisions of such Section 313(a).

(b) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange, if any, upon which the Securities are listed, with the Commission and with the Company. The Company will promptly notify the Trustee in writing when the Securities are listed on any stock exchange and of any delisting thereof.

**ARTICLE VI
REMEDIES OF THE TRUSTEE AND SECURITYHOLDERS ON
EVENT OF DEFAULT**

6.1 Events of Default Defined. The term "Event of Default" whenever used herein with respect to Securities of any series shall mean any one of the following events:

(a) default in the payment of any installment of interest upon any of the Securities of such series as and when the same shall become due and payable, and continuance of such default for a period of 30 days (subject to the deferral of any due date in the case of an Extension Period); or

(b) default in the payment of all or any part of the principal of any of the Securities of such series as and when the same shall become due and payable whether upon Stated Maturity, upon any redemption, by declaration or otherwise; or

(c) failure on the part of the Company duly to observe or perform in any material respect any covenants or agreements (other than covenants to pay interest, principal and premium, which are subject to subsections (a) and (b) above of this Section) on the part of the Company in the Securities or in this Indenture (including any supplemental indenture or pursuant to any Officer's Certificate as contemplated by Section 2.1) which are for the benefit of the Securities of such series, for a period of 90 days after there has been given, by registered or certified mail, or overnight air courier guaranteeing next day delivery, to the Company by the Trustee, or to the Company and the Trustee by the holders of not less than 25% in principal amount of the Securities of such series and all other series so benefited (all series voting as one class) at the time outstanding under this Indenture a written notice specifying such failure and stating that such notice is a "Notice of Default" hereunder, unless the Trustee, or the Trustee and the holders of a principal amount of Securities of such series not less than the principal amount of Securities the holders of which gave such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; *provided, however,* that it shall not constitute an Event of Default if corrective action is initiated by the Company within such period and is being diligently pursued; or

(d) the commencement by the Company of a voluntary case under Chapter 7 or Chapter 11 of the federal Bankruptcy Code or any other similar state or federal law now or hereafter in effect, or the consent by the Company to the entry of a decree or order for relief in an involuntary case under any such law, or the consent by the Company to the appointment of or the taking possession by a liquidating agent or committee, conservator or receiver for the Company or any substantial part of its property, or the general assignment by the Company for the benefit of its creditors, or the admission by the Company in writing of its inability to pay its debts as they become due; or

(e) the entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Company in an involuntary case under Chapter 7 or Chapter 11 of the federal Bankruptcy Code or any other similar state or federal law now or hereafter in effect, and the continuance of any such decree or order unstayed and in effect for a period of 90 days, or the appointment of or the taking possession by a liquidating agent or committee, conservator or receiver for the Company or any substantial part of its property, and the continuance of any such appointment unstayed and in effect for a period of 90 days.

If an Event of Default shall have occurred and be continuing, unless the principal of all the Securities shall have already become due and payable, either the Trustee or (i) the holders of not less than 25% in principal amount of all the then outstanding Securities of the series as to which such Event of Default under clauses 6.1(a), 6.1(b) or 6.1(c) has occurred (each such series voting as a separate class in the case of an Event of Default under clauses 6.1(a) or 6.1(b), and all such series voting as one class in the case of an Event of Default under clause 6.1(c)), or (ii) the holders of not less than 25% in principal amount of all of the outstanding Securities in the case of an Event of Default under clauses 6.1(d) or 6.1(e), by notice in writing to the Company (and to the Trustee if given by Securityholders) may declare the principal amount (or if Securities of any series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of such series) of all the Securities of such series in the case of an Event of Default under clauses 6.1(a), 6.1(b) or 6.1(c) or of all the outstanding Securities in the case of an Event of Default under clauses 6.1(d) or 6.1(e), in each case together with any accrued interest, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable; *provided, however,* that in the case of the Securities of a series issued to a South Jersey Trust, if upon an Event of Default, the Trustee or the holders of at least 25% in principal amount of the outstanding Securities of such series fail to declare the principal of all the Securities of that series to be immediately due and payable, the holders of at least 25% in aggregate liquidation amount of the corresponding series of Preferred Securities then outstanding shall have such right by a notice in writing to the Company and the Trustee.

The foregoing provisions, however, are subject to the condition that if, at any time after the principal amount (or specified portion thereof) of the Securities of any one or more series (or of all the Securities, as the case may be) shall have been so declared due and payable, and before any judgment or decree for the payment of moneys due shall have been obtained or entered as hereinafter provided, the Company shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all the Securities of such series (or upon all the Securities, as the case may be) and the principal of any and all Securities of such series (or of any and all the Securities, as the case may be) which shall have become due otherwise than by declaration (with interest on overdue installments of interest to the extent permitted by law and on such principal at the rate or rates of interest borne by, or prescribed therefor in, the Securities of each such series to the date of such payment or deposit) and the amounts payable to the Trustee under Section 7.6, and any and all defaults under the Indenture with respect to Securities of such series (or all Securities, as the case may be), other than the nonpayment of principal of and any accrued interest on Securities of such series (or any Securities, as the case may be) which shall have become due by declaration, shall have been cured, remedied or waived as provided in Section 6.6, then and in every such case the holders of a majority in principal amount of the Securities of such series (or of all the Securities, as the case may be) then outstanding and as to which such Event of Default has occurred (such series or all series voting as one class, if more than one series are so entitled) by written notice to the Company and to the Trustee, may rescind and annul such declaration and its consequences. In the case of Securities issued to a South Jersey Trust, should the holders of such Securities fail to annul such declaration and waive such default, the holders of a majority in aggregate liquidation preference of related Preferred Securities shall have such right; but no such rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon.

In case the Trustee, any holder of Securities or any holder of Preferred Securities shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, such holder of Securities or such holder of Preferred Securities then and in every such case the Company, the Trustee, the holders of the Securities of such series (or of all the Securities, as the case may be) and the holders of Preferred Securities shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Company and the Trustee, the holders of the Securities of such series (or of all the Securities, as the case may be) and the holders of Preferred Securities shall continue as though no such proceedings had been taken.

6.2 Covenant of Company to Pay to Trustee Whole Amount Due on Securities on Default in Payment of Interest or Principal. The Company covenants that (1) in case default shall be made in the payment of any installment of interest on any of the Securities of any series as and when the same shall become due and payable, and such default shall have continued for a period of 30 days (subject to the deferral of any due date in the case of an Extension Period), or (2) in case default shall be made in the payment of all or any part of the principal of any of the Securities of any series as and when the same shall become due and payable, whether upon Stated Maturity, upon any redemption, by declaration or otherwise, then, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the holders of the Securities of such series, the whole amount that then shall have become due and payable on all such Securities of such series for principal or interest, or both, as the case may be, with interest upon the overdue principal and installments of interest (to the extent permitted by law) at the rate or rates of interest borne by or prescribed therefor in the Securities of such series; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including reasonable compensation to the Trustee, its agents and counsel, and any expenses or disbursements reasonably incurred, and all reasonable advances made hereunder by the Trustee, its agents, attorneys and counsel, except as a result of its gross negligence or willful misconduct.

In case the Company shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Company or any other obligor upon such Securities, and collect in the manner provided by law out of the property of the Company or any other obligor upon such Securities wherever situated the moneys adjudged or decreed to be payable.

The Trustee shall be entitled and empowered, either in its own name or as trustee of an express trust, or as attorney-in-fact for the holders of the Securities of any series, or in any one or more of such capacities (irrespective of whether the principal of the Securities of such series shall then be due and payable, whether upon Stated Maturity, upon any redemption, by declaration or otherwise, and irrespective of whether the Trustee shall have made any demand pursuant to the provisions of this Section) to file and prove a claim or claims for the whole amount of principal (or, if the Securities of such series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of such series) and interest owing and unpaid in respect of the Securities of such series and to file such other documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for reasonable compensation of the Trustee, its agents and counsel, and for reimbursement of all expenses and disbursements reasonably incurred, and all reasonable advances made hereunder by the Trustee, its agents and counsel, except as a result of its gross negligence or willful misconduct) and of the holders of the Securities of such series allowed in any equity receivership, insolvency, bankruptcy, liquidation, arrangement, readjustment, reorganization or any other judicial proceedings relative to the Company or any other obligor on the Securities of such series or their creditors, or their property. The Trustee is hereby irrevocably appointed (and the successive respective holders of the Securities of each series by taking and holding the same shall be conclusively deemed to have so appointed the Trustee) the true and lawful attorney-in-fact of the respective holders of the Securities of such series, with authority to make and file in the respective names of the holders of the Securities of such series, or on behalf of the holders of the Securities of such series as a class, any proof of debt, amendment of proof of debt, claim, petition or other document in any such proceeding and to receive payment of any sums becoming distributable on account thereof, and to execute any such other papers and documents and to do and perform any and all such acts and things for and on behalf of such holders of the Securities of such series, as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the Trustee and of the holders of the Securities of such series allowed in any such proceeding, and to receive payment of or on account of such claims and to distribute the same, and any receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the holders, to pay to the Trustee any amount due to it under Section 7.6; and to the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.6 hereof out of the estate in any such proceeding, shall be unpaid for any reason, payment of the same shall be secured by a lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise; *provided, however,* that nothing herein shall be deemed to authorize the Trustee to authorize or consent to or vote for or accept or adopt on behalf of any Securityholder any plan of reorganization, arrangement, adjustment or composition affecting the Securities of such series or the rights of any holder thereof, or to authorize the Trustee to vote in respect of the claim of any holder of Securities of such series in any such proceeding.

All rights of action and of asserting claims under this Indenture, or under any of the Securities of any series, may be enforced by the Trustee without the possession of any of the Securities of such series, or the production thereof in any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee, shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of such Trustee, its agents and counsel, for the ratable benefit of the holders of the Securities of such series.

6.3 Application of Moneys Collected by Trustee. Any moneys or properties collected by the Trustee pursuant to this Article VI, and after an Event of Default any money or other property distributable in respect of the Company's obligations under this Indenture, shall be applied in the order following, at the date or dates fixed by the Trustee for the distribution of such moneys, upon presentation of the several Securities in respect of which moneys have been collected, and stamping thereon the payment, if only partially paid, and upon surrender thereof if fully paid:

First: To the payment of reasonable costs and expenses of collection, and of all amounts payable to the Trustee (including any predecessor Trustee) under Section 7.6;

Second: Subject to Article XIV, in case the principal of the outstanding Securities in respect of which moneys have been collected shall not have become due and be unpaid, to the payment of any unpaid interest on such Securities, in the order of the maturity of the installments of such interest, with interest upon the overdue installments of interest (so far as permitted by law and to the extent that such interest has been collected by the Trustee) at the rate or rates of interest borne by, or prescribed therefor in, such Securities, such payments to be made ratably to the persons entitled thereto, without discrimination or preference;

Third: Subject to Article XIV, in case the principal of the outstanding Securities in respect of which such moneys have been collected shall have become due and be unpaid, whether upon Stated Maturity, upon any redemption, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon such Securities for principal and interest, if any, with interest on the overdue principal and any installments of interest (so far as permitted by law and to the extent that such interest has been collected by the Trustee) at the rate or rates of interest borne by, or prescribed therefor in, such Securities; and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon such Securities, then to the payment of such principal and interest, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, or of any Security over any other Security, ratably to the aggregate of such unpaid principal and interest; and

Fourth: To the payment of the remainder, if any, to the Company, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

The Trustee may fix a record date and payment date for any payment or distribution to holders of Securities pursuant to this Section.

6.4 Limitation on Suits by Holders of Securities. No holder of any Security of any series shall have any right by virtue or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such holder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof, as hereinbefore provided, and unless also the holders of not less than a majority in principal amount of all the Securities at the time outstanding (considered as one class) shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee security and/or indemnity satisfactory to it as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee, for 60 days after its receipt of such notice, request and offer of indemnity and/or security, shall have declined to institute any such action, suit or proceeding and no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 6.6; it being understood and intended, and being expressly covenanted by the taker and holder of every Security with every other taker and holder and the Trustee, that no one or more holders of Securities shall have any right in any manner whatever by virtue or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of the holders of any other of such Securities, or to obtain or seek to obtain priority over or preference to any other such holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all holders of Securities. For the protection and enforcement of the provisions of this Section, each and every Securityholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

Notwithstanding any other provisions in this Indenture, the right of any holder of any Security to receive payment of the principal of and interest on such Security, on or after the respective due dates expressed in such Security (or, in the case of redemption on or after the date fixed for redemption), or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder.

6.5 On Default Trustee May Take Appropriate Action; Direct Action. In case of an Event of Default hereunder the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either by suit in equity or by action at law or by proceeding in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law. Except as provided in the last paragraph of Section 2.7, all powers and remedies given by this Article to the Trustee or to the Securityholders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or the holders of the Securities, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee, of any holder of any of the Securities or any holder of Preferred Securities to exercise any right or power accruing upon any Event of Default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein; and, subject to the provisions of Section 8.4, every power and remedy given by this Article or by law to the Trustee, to the Securityholders or the holders of Preferred Securities may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee, by the Securityholders or by the holders of Preferred Securities, as the case may be.

In the case of Securities of a series issued to a South Jersey Trust, any holder of the corresponding series of Preferred Securities issued by such South Jersey Trust shall have the right, upon the occurrence of an Event of Default described in Section 6.1(a) or (b) above, to institute a suit directly against the Company (a "Direct Action") for enforcement of payment to such holder of principal of (including premium, if any) and interest (including any Additional Interest) on the Securities having a principal amount equal to the aggregate liquidation amount of such Preferred Securities of the corresponding series held by such holder. Notwithstanding any payments made to a holder of such Preferred Securities by the Company pursuant to a Direct Action initiated by such holder, the Company shall remain obligated to pay the principal of or interest due on the Securities, and the Company shall be subrogated to the rights of the holder of such Preferred Securities with respect to payments on the Preferred Securities to the extent of any payments made by the Company to such holder in any Direct Action.

No delay or omission of the Trustee or of any holder of any Securities to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article VI or by law to the Trustee or to the holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the holders, as the case may be.

6.6 Rights of Holders of Majority in Principal Amount of Securities to Direct Trustee and to Waive Default. The holders of at least a majority in principal amount of the Securities of any one or more series or of all the Securities, as the case may be (voting as one class), at the time outstanding (determined as provided in Section 8.4) shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee under this Indenture with respect to such one or more series; *provided, however,* that subject to Section 7.1, the Trustee shall have the right to decline to follow any such direction if the Trustee being advised by counsel determines that the action so directed may not lawfully be taken, or if the Trustee in good faith shall, by a Responsible Officer or Officers of the Trustee, determine that the proceedings so directed would be illegal or would conflict with this Indenture, or involve it in personal liability or be unduly prejudicial to the rights of Securityholders of such one or more series not parties to such direction (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not any such directions are unduly prejudicial to such Holders), and *provided further* that nothing in this Indenture shall impair the right of the Trustee to take any action deemed proper by the Trustee and which is not inconsistent with such direction by such Securityholders of such one or more series. The holders of at least a majority in principal amount of the Securities of all series as to which a default or an Event of Default hereunder has occurred (all series voting as one class) at the time outstanding (determined as provided in Section 8.4) and, in the case of any Preferred Securities of a series issued to a South Jersey Trust, the holders of at least a majority in aggregate liquidation amount of the Preferred Securities issued by such South Jersey Trust, may waive any past default or Event of Default hereunder with respect to such series and its consequences, except a default in the payment of the principal of or interest on any of such Securities or Preferred Securities or in respect of a covenant or provision hereof which under Article X cannot be modified or amended without the consent of the holder of each Security so affected. Upon any such waiver, such default shall cease to exist and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon. Any such waiver shall be deemed to be on behalf of the holders of all the Securities of such series or, in the case of a waiver by holders of Preferred Securities issued by such South Jersey Trust, on behalf of all holders of Preferred Securities issued by such South Jersey Trust.

6.7 Trustee to Give Notice of Defaults Known to It, but May Withhold in Certain Circumstances. The Trustee shall, within 90 days after the occurrence of any default or Event of Default known to a Responsible Officer hereunder with respect to the Securities of any series, give to the holders of the Securities of such series in the manner and to the extent provided in subsection (c) of Section 5.4 with respect to reports pursuant to subsection (a) of said Section 5.4, notice of such default actually known to a Responsible Officer of the Trustee unless such default shall have been cured, remedied or waived before the giving of such notice (the term "default" for the purposes of this Section being hereby defined to be the events specified in clauses (c), (d) and (e) of Section 6.1 and default in the payment of the principal of or interest on Securities of any series, not including any periods of grace provided for therein, and irrespective of the giving of written notice specified therein); *provided, however,* that, except in the case of default in the payment of the principal of or interest on any of the Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, executive committee, trust committee of directors and/or Responsible Officers of the Trustee in good faith determines that the withholding of such notice is in the interest of the holders of the Securities of such series.

6.8 Requirement of an Undertaking to Pay Costs in Certain Suits Under the Indenture or Against the Trustee. All parties to this Indenture agree, and each holder of any Security by its acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any holder of Securities of any series, or group of such Securityholders, holding in the aggregate more than 10 percent in principal amount of all the Securities (all series considered as one class) outstanding, or to any suit instituted by any Securityholder for the enforcement of the payment of the principal of or interest on any Security, on or after the due date expressed in such Security (or in the case of any redemption, on or after the date fixed for redemption).

ARTICLE VII CONCERNING THE TRUSTEE

7.1 Upon Event of Default Occurring and Continuing, Trustee Shall Exercise Powers Vested in It, and Use Same Degree of Care and Skill in Their Exercise, as a Prudent Man Would Use. The Trustee, prior to the occurrence of an Event of Default and after the curing, remedying or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured, remedied or waived) of which a Responsible Officer of the Trustee has actual notice, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own gross negligent action, its own grossly negligent failure to act, or its own willful misconduct; *provided, however,* that

(a) Prior to the occurrence of an Event of Default and after the curing, remedying or waiving of all Events of Default which may have occurred:

(i) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of any mathematical calculations or other facts stated therein);

(b) The Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Trustee, unless it shall be proved that the Trustee was grossly negligent in ascertaining the pertinent facts upon which such judgment was made;

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of Securities pursuant to Section 6.6 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture;

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 7.1; and

(e) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or adequate indemnity and/or security against such risk or liability is not assured to it. The Trustee shall not be required to give any bond or surety in respect of the performance of its powers or duties hereunder.

7.2 Reliance on Documents, Opinions, Etc. Except as otherwise provided in Section 7.1:

(a) The Trustee may rely and shall be fully protected in acting or refraining from acting in good faith upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, appraisal, bond, debenture, note, other evidence of indebtedness or other paper or document (whether in its original or facsimile form) reasonably believed by it to be genuine and to have been signed, sent or presented by the proper party or parties;

(b) Any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officer's Certificate (unless other evidence in respect thereof be herein specifically prescribed); and any Resolution of the Company may be evidenced to the Trustee by a copy thereof certified by the Corporate Secretary or an Assistant Corporate Secretary of the Company;

(c) The Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel with respect to legal matters shall be full and complete authorization and protection in respect of any action taken, suffered or omitted to be taken by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Securityholders pursuant to this Indenture, unless such Securityholders shall have offered to the Trustee security and/or indemnity satisfactory to it against the costs, expenses (including attorneys' fees and expenses) and liabilities that might be incurred by it in complying with such request or direction;

(e) The Trustee shall not be liable for any action taken or omitted to be taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, debenture, note, other evidence of indebtedness or other paper or document, or inquire as to the performance by the Company or the Guarantors of any of their covenants in this Indenture, unless requested in writing to do so by the holders of Securities pursuant to Section 6.6, but the Trustee may make such further inquiry or investigation into such facts or matters as it may see fit; *provided, however,* that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require adequate indemnity and/or security against such costs, expenses or liabilities as a condition to so proceeding; and *provided further,* that nothing in this subsection (f) shall require the Trustee to give the Securityholders any notice other than that required by Section 6.7. The reasonable expense of every such examination shall be paid by the Company or, if paid by the Trustee, shall be repaid by the Company upon demand;

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it hereunder; *provided, however,* that the Trustee shall be responsible for its own gross negligence or willful misconduct with respect to the selection of any such agent or attorney;

(h) The Trustee shall be under no responsibility for the approval by it in good faith of any expert for any of the purposes expressed in this Indenture;

(i) The Trustee shall not be deemed to have notice of any default or Event of Default unless a Responsible Officer of the Trustee in its Corporate Trust Office has actual knowledge thereof or unless written notice of any event which is in fact such a default or Event of Default is received by the Trustee at the Corporate Trust Office of the Trustee from the Company or Securityholders of 25% of the aggregate principal amount of the Securities, and such notice references the Company, the Securities and this Indenture;

(j) The rights, privileges, protections, immunities and benefits given to the Trustee, including without limitation its right to be compensated, reimbursed, and indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, whether as Agent or otherwise, and to each agent, custodian and other Person employed to act hereunder;

(k) In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services or other unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances;

(l) The Trustee may request that the Company deliver an Officer's Certificate setting forth the names of individuals and/or titles of officers authorized at such time to furnish the Trustee with Officer's Certificates, Company orders or requests and any other matters or directions pursuant to this Indenture;

(m) In no event shall the Trustee be responsible or liable for any special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit), irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action; and

(n) The permissive rights or powers of the Trustee to do things enumerated in this Indenture shall not be construed as a duty of the Trustee; and

(o) The Trustee shall have the right, but shall not be required, to rely upon and comply with instructions and directions sent by e-mail, facsimile and other similar unsecured electronic methods by persons believed by the Trustee to be authorized to give instructions and directions on behalf of the Company or any other Person. The Trustee shall have no duty or obligation to verify or confirm that the Person who sent such instructions or directions is, in fact, a Person authorized to give instructions or directions on behalf of the Company; and the Trustee shall have no liability for any losses, liabilities, costs or expenses incurred or sustained by the Company as a result of such reliance upon or compliance with such instructions or directions. The Company agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

7.3 **Trustee Not Liable for Recitals in Indenture or in Securities.** The recitals contained herein and in the Securities (other than the certificate of authentication on the Securities) shall be taken as the statements of the Company, and the Trustee does not assume any responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Company of the proceeds of the Securities of any series or for funds received and disbursed in accordance with this Indenture. The Trustee shall have no responsibility or liability with respect to any information, statement or recital in any offering memorandum, prospectus, prospectus supplement or other disclosure material prepared or distributed with respect to the issuance of any series of the Securities.

7.4 **May Hold Securities.** The Trustee or any agent of the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Section 7.8, may transact business with the Company with the same rights it would have if it were not Trustee or such agent.

7.5 **Moneys Received by Trustee to be Held in Trust without Interest.** Subject to the provisions of Section 12.4, all moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any moneys received by it hereunder.

7.6 **Trustee Entitled to Compensation, Reimbursement and Indemnity.** The Company covenants and agrees to pay to the Trustee and any predecessor Trustee from time to time, and the Trustee shall be entitled to, such compensation as shall be agreed to in writing between the Company and the Trustee (which shall not be limited by any provision of law in regard to the compensation of a trustee of any express trust), and, the Company will pay or reimburse the Trustee and any predecessor Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in connection with the acceptance or administration of this Indenture (including the reasonable compensation and the reasonable expenses and disbursements of its agents and counsel and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its gross negligence or willful misconduct (as determined by a final, non-appealable judgment of a court of competent jurisdiction). The Company also covenants and agrees to indemnify each of the Trustee, any predecessor Trustee and their officers, directors, employees and agents for, and to hold them harmless against, any loss, damage, claim, liability or expense incurred without gross negligence or willful misconduct (as determined by a final, non-appealable judgment of a court of competent jurisdiction) on their part and arising out of or in connection with the acceptance or administration of this Indenture and performance of their duties hereunder, or the exercise of their rights and powers under the Securities including the costs and expenses (including reasonable fees and disbursements of their counsel) of enforcing this Indenture (including this Section) and the Securities and of defending themselves against any claim or liability in connection with the exercise or performance of any of the powers or duties hereunder. The obligations of the Company under this Section to compensate the Trustee, to pay or reimburse the Trustee for expenses, disbursements and advances and to indemnify and hold harmless the Trustee shall constitute additional indebtedness hereunder and shall survive the satisfaction and discharge of this Indenture and the resignation or removal of the Trustee. Such additional indebtedness shall be secured by a lien prior to that of the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the payment of principal of or interest, if any, on particular Securities.

Without prejudice to any other rights available to the Trustee under applicable law, when the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 6.1(d) or (e), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable federal or state bankruptcy, insolvency or other similar law. "Trustee" for the purposes of this Section shall include any predecessor Trustee and the Trustee in each of its capacities hereunder and each agent, custodian and other person employed to act hereunder; *provided, however,* that the gross negligence or willful misconduct of any Trustee hereunder shall not affect the rights of any other Trustee hereunder.

7.7 **Right of Trustee to Rely on Officer's Certificate where No Other Evidence Specifically Prescribed.** Except as otherwise provided in Section 7.1, whenever in the administration of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering or omitting to take any action hereunder, the Trustee (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on its part, request and rely upon an Officer's Certificate which, upon receipt of such request, shall be promptly delivered by the Company.

7.8 **Disqualification; Conflicting Interests.** If the Trustee has or shall acquire any conflicting interest, within the meaning of the Trust Indenture Act, the Trustee shall either eliminate such interest within 90 days, apply to the Commission for permission to continue as Trustee, or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Indenture. There shall be excluded from the operation of Trust Indenture Act Section 310(b)(1) each series of Securities under this Indenture and any indenture or indentures under which other securities or certificates of interest or participation in other securities of the Company are outstanding if the requirements for such exclusion set forth in Trust Indenture Act Section 310(b)(1) are met.

7.9 **Requirements for Eligibility of Trustee.** There shall at all times be a Trustee hereunder that is a corporation, organized and doing business under the laws of the United States of America, any state thereof or the District of Columbia, eligible under Sections 310(a)(1) and (5) of the Trust Indenture Act to act as trustee under an indenture qualified under the Trust Indenture Act and that has a combined capital and surplus (computed in accordance with Section 310(a)(2) of the Trust Indenture Act) of at least \$50,000,000 subject to supervision or examination by federal or state authority. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

7.10 **Resignation and Removal of Trustee.**

(a) The Trustee, or any trustee or trustees hereafter appointed, may at any time resign with respect to one or more or all series of Securities by giving written notice of such resignation to the Company and by giving to the holders of Securities of the applicable series notice thereof in the manner and to the extent provided in subsection (c) of Section 5.4 with respect to reports pursuant to subsection (a) of Section 5.4. Upon receiving such notice of resignation and if the Company shall deem it appropriate evidence satisfactory to it of such mailing, the Company shall promptly appoint a successor Trustee with respect to the applicable series (it being understood that any successor Trustee may be appointed with respect to the Securities of one or more or all of such series and at any time there shall be only one Trustee with respect to the Securities of any particular series) by written instrument, in duplicate, executed pursuant to a Resolution of the Company, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor Trustee. If no successor Trustee shall have been so appointed with respect to any series and have accepted appointment within 30 days after the mailing of such notice of resignation, the resigning Trustee may petition, at the expense of the Company, any court of competent jurisdiction for the appointment of a successor Trustee, or any Securityholder who has been a bona fide holder of a Security or Securities of the applicable series for at least six months may, subject to the provisions of Section 6.8, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor Trustee. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

(b) In case at any time any of the following shall occur:

(i) The Trustee shall fail to comply with Section 7.8 after written request therefor by the Company or by any Securityholder who has been a bona fide holder of a Security or Securities of the applicable series for at least six months, or

(ii) The Trustee shall cease to be eligible in accordance with the provisions of Section 7.9 and shall fail to resign after written request therefor by the Company or by any such Securityholder, or

(iii) The Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, the Company may remove the Trustee with respect to the applicable series and appoint a successor Trustee with respect to the applicable series by written instrument, in duplicate, executed pursuant to a Resolution of the Company, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor Trustee, or, subject to the provisions of Section 6.8, any Securityholder who has been a bona fide holder of a Security or Securities of the applicable series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee with respect to the applicable series. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor Trustee.

(c) The holders of a majority in principal amount of the Securities of any one series voting as a separate class or all series voting as one class at the time outstanding (determined as provided in Section 8.4) may at any time remove the Trustee with respect to the applicable series or all series, as the case may be, and appoint a successor Trustee with respect to the applicable series or all series, as the case may be, by written instrument or instruments signed by such holders or their attorneys-in-fact duly authorized, or by the affidavits of the permanent chairman and permanent secretary of a meeting of the Securityholders (as elected in accordance with Section 9.5) evidencing the vote upon a resolution or resolutions submitted thereto with respect to such removal and appointment (as provided in Article IX), and by delivery thereof to the Trustee so removed, to the successor Trustee and to the Company.

(d) Any resignation or removal of the Trustee and any appointment of a successor Trustee pursuant to any of the provisions of this Section shall become effective upon acceptance of appointment by the successor Trustee as provided in Section 7.11.

7.11 Acceptance by Successor Trustee. Any successor Trustee with respect to all series of Securities appointed as provided in Section 7.10 shall execute, acknowledge and deliver to the Company and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee with respect to all series shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties with respect to such series of its predecessor hereunder, with like effect as if originally named as Trustee herein; but, on the written request of the Company or of the successor Trustee, the Trustee ceasing to act shall, upon payment of any amounts then due it pursuant to the provisions of Section 7.6, execute and deliver an instrument transferring to such successor Trustee all the rights and powers with respect to such series of the Trustee so ceasing to act. Upon the request of any such successor Trustee, the Company shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Trustee all such rights and powers. Any Trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such Trustee or any successor Trustee to secure any amounts then due it pursuant to the provisions of Section 7.6.

In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of such series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of such series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of such series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-Trustees of the same trust and that each such Trustee shall be Trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of such series to which the appointment of such successor Trustee relates; but, on written request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of such series to which the appointment of such successor Trustee relates.

No successor Trustee shall accept appointment as provided in this Section unless at the time of such acceptance such successor Trustee shall be qualified under the provisions of Section 7.8 and eligible under the provisions of Section 7.9.

Upon acceptance of appointment by a successor Trustee as provided in this Section, the successor Trustee shall at the expense of the Company transmit notice of the succession of such Trustee hereunder to the holders of Securities of any applicable series in the manner and to the extent provided in subsection (c) of Section 5.4 with respect to reports pursuant to subsection (a) of said Section 5.4.

7.12 Successor to Trustee by Merger, Consolidation or Succession to Business. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be qualified under the provisions of Section 7.8 and eligible under the provisions of Section 7.9, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

In case at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor Trustee, and deliver such Securities so authenticated; and in case at that time any of the Securities shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Securities or in this Indenture provided that the certificate of the Trustee shall have; *provided, however,* that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Securities in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

7.13 Limitations on Preferential Collection of Claims by the Trustee. The Trustee shall comply with Section 311(a) of the Trust Indenture Act, excluding any creditor relationship described in Section 311(b) of the Trust Indenture Act. A Trustee who has resigned or been removed shall be subject to Section 311(a) of the Trust Indenture Act to the extent included therein.

ARTICLE VIII CONCERNING THE SECURITYHOLDERS

8.1 Evidence of Action by Securityholders. Whenever in this Indenture it is provided that the holders of a specified percentage in principal amount of the Securities of any or all series may take any action (including the making of any demand or request, the giving of any notice, consent, or waiver or the taking of any other action), the fact at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by such Securityholders in person or by agent or proxy appointed in writing, or (b) by the record of such holders of Securities voting in favor thereof at any meeting of such Securityholders duly called and held in accordance with the provisions of Article IX, or (c) by a combination of such instrument or instruments and any such record of such a meeting of such Securityholders.

If there shall be more than one Trustee acting hereunder with respect to separate series of Securities, such Trustees shall collaborate, if necessary, in acting under Article IX and in determining whether the holders of a specified percentage in principal amount of the Securities of any or all series have taken any such action.

8.2 Proof of Execution of Instruments and of Holding of Securities. Subject to the provisions of Sections 7.1, 7.2 and 9.5, proof of the execution of any instrument by a Securityholder or its agent or proxy and proof of the holding by any person of any of the Securities shall be sufficient if made in the following manner:

- (a) The fact and date of the execution by any such person of any instrument may be proved in any reasonable manner acceptable to the Trustee;

- (b) The ownership of Securities of any series shall be proved by the Register of such Securities of such series, or by certificates of the Security registrar thereof;
- (c) The Trustee shall not be bound to recognize any person as a Securityholder unless and until title to the Securities held by him is proved in the manner in this Article VIII provided;
- (d) The record of any Securityholders' meeting shall be proved in the manner provided in Section 9.6; and
- (e) The Trustee may accept such other proof or require such additional proof of any matter referred to in this Section as it shall deem reasonable.

8.3 Who May be Deemed Owners of Securities. Prior to due presentment for registration of transfer of any Security, the Company, the Trustee and any agent of the Company or the Trustee may deem and treat the person in whose name such Security shall be registered upon the Register of Securities of the series of which such Security is a part as the absolute owner of such Security (whether or not payments in respect of such Security shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or an account of the principal of and interest, subject to Section 2.3, on such Security and for all other purposes; and neither the Company nor the Trustee nor any agent of the Company or the Trustee shall be affected by any notice to the contrary. All such payments so made to any such holder for the time being, or upon its order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Security.

8.4 Securities Owned by Company or Controlled or Controlling Persons Disregarded for Certain Purposes. In determining whether the holders of the requisite principal amount of Securities have concurred in any demand, direction, request, notice, vote, consent, waiver or other action under this Indenture, Securities which are owned by the Company or any other obligor on the Securities or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any other obligor on the Securities shall be disregarded and deemed not to be outstanding for the purpose of any such determination, *provided that* for the purposes of determining whether the Trustee shall be protected in relying on any such demand, direction, request, notice, vote, consent, waiver or other action, only Securities which a Responsible Officer of the Trustee assigned to its designated office actually knows are so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as outstanding for the purposes of this Section, if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Securities and that the pledgee is not a person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any such other obligor. Upon request of the Trustee, the Company shall furnish to the Trustee promptly an Officer's Certificate listing and identifying all Securities, if any, known by the Company to be owned or held by or for the account of the Company or any other obligor on the Securities or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any other obligor on the Securities; and, subject to the provisions of Section 7.1, the Trustee shall be entitled to accept such Officer's Certificate as conclusive evidence of the facts therein set forth and of the fact that all Securities not listed therein are outstanding for the purpose of any such determination.

8.5 Instruments Executed by Securityholders Bind Future Holders. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.1, of the taking of any action by the holders of the percentage in principal amount of the Securities specified in this Indenture in connection with such action, any holder of a Security which is shown by the evidence to be included in the Securities the holders of which have consented to such action may, by filing written notice with the Trustee at its designated office and upon proof of holding as provided in Section 8.2, revoke such action so far as concerns such Security. Except as aforesaid any such action taken by the holder of any Security and any direction, demand, request, notice, waiver, consent, vote or other action of the holder of any Security which by any provisions of this Indenture is required or permitted to be given shall be conclusive and binding upon such holder and upon all future holders and owners of such Security, and of any Security issued in lieu thereof or upon registration of transfer thereof, irrespective of whether any notation in regard thereto is made upon such Security. Any action taken by the holders of the percentage in principal amount of the Securities of any or all series specified in this Indenture in connection with such action shall be conclusively binding upon the Company, the Trustee and the holders of all of the Securities of such series subject, however, to the provisions of Section 7.1.

ARTICLE IX SECURITYHOLDERS' MEETINGS

9.1 **Purposes for which Meetings May be Called.** A meeting of holders of Securities of any or all series may be called at any time and from time to time pursuant to the provisions of this Article for any of the following purposes:

- (a) To give any notice to the Company or to the Trustee, or to give any directions to the Trustee, or to consent to the waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by holders of Securities of any or all series, as the case may be, pursuant to any of the provisions of Article VI;
- (b) To remove the Trustee and appoint a successor Trustee pursuant to the provisions of Article VII;
- (c) To consent to the execution of an indenture or indentures supplemental hereto pursuant to the provisions of Section 10.2; or
- (d) To take any other action authorized to be taken by or on behalf of the holders of any specified principal amount of the Securities of any or all series, as the case may be, under any other provision of this Indenture or under applicable law.

9.2 **Manner of Calling Meetings.** The Trustee may at any time call a meeting of Securityholders to take any action specified in Section 9.1, to be held at such time and at such place, as the Trustee shall determine. Notice of every meeting of Securityholders setting forth the time and place of such meeting and in general terms the action proposed to be taken at such meeting, shall be mailed not less than 10 nor more than 90 days prior to the date fixed for the meeting.

9.3 **Call of Meeting by Company or Securityholders.** In case at any time the Company, pursuant to a resolution of its Board of Directors, or the holders of not less than 10 percent in principal amount of the Securities of any or all series, as the case may be, then outstanding, shall have requested the Trustee to call a meeting of holders of Securities of any or all series, as the case may be, to take any action authorized in Section 9.1 by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed notice of such meeting within 20 days after receipt of such request, then the Company or such holders of Securities in the amount above specified may determine the time and place for such meeting and may call such meeting to take any action authorized in Section 9.1, by mailing notice thereof as provided in Section 9.2.

9.4 **Who May Attend and Vote at Meetings.** To be entitled to vote at any meeting of Securityholders a person shall (a) be a holder of one or more Securities with respect to which the meeting is being held, or (b) be a person appointed by an instrument in writing as proxy by such holder of one or more such Securities. The only persons who shall be entitled to be present or to speak at any meeting of Securityholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

9.5 **Regulations May be Made by Trustee.** Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Securityholders, in regard to proof of the holding of Securities and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 8.2 and the appointment of any proxy shall be proved in the manner specified in said Section 8.2; *provided, however,* that such regulations may provide that written instruments appointing proxies regular on their face, may be presumed valid and genuine without the proof hereinabove or in said Section 8.2 specified.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Securityholders as provided in Section 9.3, in which case the Company or the Securityholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by majority vote of the meeting.

Subject to the provisions of Section 8.4, at any meeting each Securityholder or proxy shall be entitled to one vote for each \$1,000 principal amount of Securities held or represented by him or her, *provided, however,* that no vote shall be cast or counted at any meeting in respect of any Security challenged as not outstanding and ruled by the permanent chairman of the meeting to be not outstanding; provided, further, that each holder of Original Issue Discount Securities shall be entitled to one vote for each \$1,000 amount which would be due upon acceleration of the Original Issue Discount Security on the date of the meeting. Neither a temporary nor a permanent chairman of the meeting shall have a right to vote other than by virtue of Securities held by him or her or instruments in writing as aforesaid duly designating him or her as the person to vote on behalf of other Securityholders. Any meeting of Securityholders duly called pursuant to the provisions of Section 9.2 or 9.3 may be adjourned from time to time, and the meeting may be held so adjourned without further notice.

At any meeting of Securityholders, the presence of persons holding or representing Securities in principal amount sufficient to take action on the business for the transaction of which such meeting was called shall constitute a quorum, but, if less than a quorum is present, the person or persons holding or representing a majority in principal amount of the Securities represented at the meeting may adjourn such meeting with the same effect for all intents and purposes, as though a quorum had been present.

9.6 Manner of Voting at Meetings and Record to be Kept. The vote upon any resolution submitted to any meeting of Securityholders shall be by written ballots on which shall be subscribed the signatures of the holders of Securities or of their representatives by proxy and the principal amount or principal amounts of the Securities held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the permanent secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Securityholders shall be prepared by the permanent secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Section 9.2. The record shall show the principal amount or principal amounts of the Securities voting in favor of, against, or abstaining from voting on, any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and permanent secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

9.7 Exercise of Rights of Trustee, Securityholders and Holders of Preferred Securities Not to be Hindered or Delayed. Nothing in this Article contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Securityholders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee, to the Securityholders or the holders of Preferred Securities under any of the provisions of this Indenture or of the Securities.

ARTICLE X
SUPPLEMENTAL INDENTURES

10.1 **Purposes for which Supplemental Indentures May be Entered into Without Consent of Securityholders.** Without the consent of any Securityholders or any holders of Preferred Securities, the Company and the Trustee may from time to time, and at any time enter into an indenture or indentures supplemental hereto, in form satisfactory to such Trustee (which shall comply with the provisions of the Trust Indenture Act as then in effect), for one or more of the following purposes:

- (a) To evidence the succession of another Person to the Company, or successive successions, and the assumption by the successor of the covenants, agreements and obligations of the Company pursuant to Article XI hereof;
- (b) To add to the covenants of the Company such further covenants, restrictions or conditions as the Company in good faith shall consider to be for the protection of the holders of all or any series of Securities (and if such covenants, restrictions or conditions are to be for the benefit of less than all series of Securities, stating that such covenants, restrictions or conditions are expressly being included solely for the benefit of such series), and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions or conditions a default or an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; *provided, however,* that in respect to any such additional covenant, restriction or condition such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available to the Trustee upon such default;
- (c) To change or eliminate any of the provisions of this Indenture; *provided, however,* that any such change or elimination shall become effective only when there is no Security of any series outstanding created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision;
- (d) To establish the form or terms of Securities of any series as permitted by Section 2.1 and 2.2;
- (e) As determined by the Company in good faith, to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be defective or inconsistent with any other provisions contained herein or in any supplemental indenture;
- (f) To make such other provision in regard to matters or questions arising under this Indenture or any supplemental indenture or to make any other changes in the provisions of this Indenture; *provided, however,* that such action shall not adversely affect the interest of the holders of Securities of any series in any material respect or, in the case of the Securities of a series issued to a South Jersey Trust and for so long as any of the corresponding series of Preferred Securities issued by such South Jersey Trust shall remain outstanding, the holders of such Preferred Securities;
- (g) To mortgage or pledge to the Trustee as security for the Securities any property or assets;
- (h) To qualify, or maintain the qualification of, the Indenture under the Trust Indenture Act;
- (i) To evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one trustee, all as provided in Section 7.11;
- (j) To supplement any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of any series of Securities pursuant to Section 12.5, *provided that* any such action shall not adversely affect the interests of any holder of a Security of such series or any other Security or coupon in any material respect; or
- (k) To conform the terms of this Indenture and Securities to the descriptions thereof contained in any prospectus used in connection with the issuance and sale of the Securities, as supplemented and/or amended by any related pricing term sheet.

The Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer, mortgage, pledge or assignment of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section may be executed by the Company and the Trustee without the consent of the holders of any of the Securities at the time outstanding, notwithstanding any of the provisions of Section 10.2.

10.2 Modification of Indenture with Consent of Holders of a Majority in Principal Amount of Securities. With the consent of the holders of not less than a majority in principal amount of the Securities of all series at the time outstanding (determined as provided in Section 8.4) affected by such supplemental indenture (voting as one class), the Company and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto (which shall be in conformity with the provisions of the Trust Indenture Act as then in effect) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of the Securities of each such series; *provided, however,* that no such supplemental indenture shall (i) change the fixed Maturity of any Securities, or reduce the rate or extend the time of payment of any interest thereon or on any overdue principal amount or reduce the principal amount thereof, or change the provisions pursuant to which the rate of interest on any Security is determined if such change could reduce the rate of interest thereon, or reduce the minimum rate of interest thereon, or reduce any amount payable upon any redemption thereof, or adversely affect any right to convert the Securities in accordance therewith, or reduce the amount to be paid at Maturity or make the principal thereof or any interest thereon or on any overdue principal amount payable in any coin or currency other than that provided in the Security or impair or affect the right to institute suit for the payment thereof when due, or, if such Security shall so provide, any right of repayment at the option of the holder, in each case, without the consent of the holder of each Security so affected, (ii) reduce the aforesaid percentage of Securities, the holders of which are required to consent to any such supplemental indenture without the consent of the holders of all Securities then outstanding, (iii) modify any of the provisions of this Section, Section 4.7 or Section 6.6, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the holders of all Securities then outstanding; *provided, however,* that this clause (iii) shall not be deemed to require the consent of any holder with respect to changes in the references to "the Trustee" and concomitant changes in this Section, or the deletion of this proviso, in accordance with Section 7.11 or (iv) modify the provisions of Article XIV with respect to the subordination of outstanding Securities of any series in a manner adverse to the holders thereof without the consent of the holder of each Security so affected; *provided, however,* that, in the case of the Securities of a series issued to a South Jersey Trust, so long as any of the corresponding series of Preferred Securities issued by such South Jersey Trust remains outstanding, (x) no such amendment shall be made that adversely affects the holders of such Preferred Securities in any material respect, and no termination of this Indenture shall occur, and no waiver of any Event of Default with respect to such series or compliance with any covenant with respect to such series under this Indenture shall be effective, without the prior consent of the holders of at least a majority of the aggregate liquidation amount of such Preferred Securities then outstanding unless and until the principal (and premium, if any) of the Securities of such series and all accrued and unpaid interest (including any Additional Interest) thereon have been paid in full; and (y) no amendment shall be made to Section 6.5 of this Indenture that would impair the rights of the holders of such Preferred Securities provided therein or to this Indenture that requires the consent of each holder of the Securities of such series without the prior consent of each holder of such Preferred Securities then outstanding unless and until the principal (and premium, if any) of the Securities of such series and all accrued and unpaid interest (including any Additional Interest) thereon have been paid in full.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities or Preferred Securities, or which modifies the rights of holders of Securities or holders of Preferred Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the holders of Securities or holders of Preferred Securities of any other series.

Upon the request of the Company, evidenced by an Officer's Certificate authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Securityholders as aforesaid, the Trustee shall join with the Company in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

It shall not be necessary for the consent of the Securityholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the execution by the Company and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Company shall mail a notice to the holders of Securities of each series so affected, setting forth in general terms the substance of such supplemental indenture. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

10.3 Effect of Supplemental Indentures. Upon the execution of any supplemental indenture pursuant to the provisions of this Article, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company and the holders of Securities affected thereby shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

The Trustee shall be entitled to receive, and subject to the provisions of Section 7.1 shall be entitled to rely upon, an Officer's Certificate and an Opinion of Counsel as conclusive evidence that any such supplemental indenture complies with the provisions of this Article.

10.4 Securities May Bear Notation of Changes by Supplemental Indentures. Securities authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article, or after any action taken at a Securityholders' meeting pursuant to Article IX, may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture or as to any action taken at any such meeting. If the Company or the Trustee shall so determine, new Securities so modified as to conform, in the opinion of the Trustee and the Board of Directors of the Company, to any modification of this Indenture contained in any such supplemental indenture may be prepared by the Company, authenticated by the Trustee and delivered in exchange for the Securities then outstanding.

10.5 Revocation and Effect of Consents. Subject to Section 8.5, until an amendment, supplement, waiver or other action becomes effective, a consent to it by a Securityholder of a Security is a continuing consent conclusive and binding upon such Securityholder and every subsequent Securityholder of the same Security or portion thereof, and of any Security issued upon the registration of transfer thereof or in exchange therefor or in place thereof, even if notation of the consent is not made on any such Security.

The Company may, but shall not be obligated to, fix a record date for the purpose of determining the Securityholders entitled to consent to any amendment, supplement or waiver. If a record date is fixed, then, notwithstanding the preceding paragraph, those Persons who were Securityholders at such record date (or their duly designated proxies), and only such Persons, shall be entitled to consent or revoke such consent to such amendment, supplement or waiver, whether or not such Persons continue to be Securityholders after such record date. No such consent shall be valid or effective for more than 180 days after such record date.

After an amendment, supplement, waiver or other action becomes effective, it shall bind every Securityholder.

10.6 Conformity with Trust Indenture Act. Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act.

10.7 Subordination Unimpaired. No supplemental indenture entered into under this Article X shall modify, directly or indirectly, the provisions of Article XIV or the definition of Priority Indebtedness in Section 1.1 in any manner that might alter or impair the subordination of the Securities with respect to Priority Indebtedness then outstanding in a manner adverse to the holders of Priority Indebtedness, unless each holder of such Priority Indebtedness has consented thereto in writing.

ARTICLE XI CONSOLIDATION, MERGER, SALE OR CONVEYANCE

11.1 Company May Consolidate, etc., on Certain Terms. The Company covenants that it will not merge or consolidate with any other Person or sell or convey all or substantially all of its assets to any Person unless (i) either the Company shall be the continuing Person, or the successor (if other than the Company) shall be a corporation, limited liability company, partnership or trust organized and existing under the laws of the United States of America or a State thereof or the District of Columbia and such Person shall expressly assume the due and punctual payment of the principal of and interest on all the Securities, according to their tenor, and the due and punctual performance and observance of all of the covenants and conditions of this Indenture to be performed by the Company by supplemental indenture in form satisfactory to the Trustee, executed and delivered to the Trustee by such Person, (ii) immediately after giving effect to such merger or consolidation, or such sale or conveyance, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing, and (iii) in the case of Securities of a series issued to a South Jersey Trust, such consolidation, merger, sale or conveyance is permitted under the relevant Trust Agreement and South Jersey Guarantee and does not give rise to any breach or violation of such Trust Agreement or South Jersey Guarantee.

11.2 Successor Substituted. Upon any consolidation or merger by the Company with or into any other Person or any sale or conveyance by the Company of all or substantially all of its assets to any Person in accordance with Section 11.1, the successor formed by such consolidation or into which the Company is merged or to which such sale or conveyance is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor had been named as the Company herein; and in the event of any such sale or conveyance, the Company (which term shall for this purpose mean the Person named as the "Company" in the first paragraph of this Indenture or any successor which shall theretofore become such in the manner described in Section 11.1) shall be discharged from all obligations and covenants under this Indenture and the Securities and may be dissolved and liquidated. Such successor thereupon may cause to be signed, and may issue either in its own name or in the name of the Company, any or all of the Securities issuable hereunder which theretofore shall not have been delivered to the Trustee; and upon the order of such successor, instead of the Company, and subject to all the terms, conditions and limitations in this Indenture prescribed, the Trustee shall authenticate and shall deliver any Securities which previously shall have been signed and delivered by the officers of the Company to the Trustee, and any Securities which such successor thereafter shall cause to be signed and delivered to the Trustee. All the Securities so issued shall in all respects have the same legal rank and benefit under this Indenture as the Securities theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Securities had been issued at the date of the execution hereof.

In case of any such consolidation, merger, sale or conveyance such changes in phraseology and form (but not in substance) may be made in the Securities thereafter to be issued as may be appropriate.

11.3 Opinion of Counsel to Trustee. The Trustee shall be entitled to receive, and subject to the provisions of Section 7.1 shall be entitled to rely upon, an Officer's Certificate and an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale or conveyance and any such assumption, complies with the provisions of this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

ARTICLE XII
SATISFACTION AND DISCHARGE OF INDENTURE, UNCLAIMED MONEYS

12.1 **Satisfaction and Discharge of Indenture.** If (a) the Company shall deliver to the Trustee for cancellation all Securities of any series theretofore authenticated (other than any Securities of such series which shall have been destroyed, lost or stolen and which shall have been replaced or paid as provided in Section 2.7) and not theretofore canceled, or (b) all the Securities of such series not theretofore canceled or delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and the Company shall irrevocably deposit in trust with the Trustee money and/or securities backed by the full faith and credit of the United States that through the payment of the principal thereof and the interest thereon in accordance with their terms, will provide money in an amount sufficient to pay at Stated Maturity or upon redemption all of such Securities not theretofore canceled or delivered to the Trustee for cancellation, including principal and any interest due or to become due to such date of Stated Maturity or redemption date, as the case may be, and if in either case the Company shall also pay or cause to be paid all other sums payable hereunder by the Company with respect to Securities of such series, then this Indenture shall cease to be of further effect with respect to Securities of such series, (except as to (i) remaining rights of registration of transfer, conversion, substitution and exchange, rights provided in Section 2.7, the Company's obligation to maintain a Paying Agent pursuant to Section 4.2 and the Company's right of optional redemption of Securities of such series, (ii) rights hereunder of holders to receive payments of principal of, and any interest on, the Securities of such series, and other rights, duties and obligations of the holders of Securities of such series as beneficiaries hereof with respect to the amounts, if any, so deposited with the Trustee, and (iii) the rights, obligations and immunities of the Trustee hereunder), and the Trustee, on demand of the Company, and at the cost and expense of the Company, shall execute proper instruments acknowledging satisfaction of and discharging this Indenture with respect to the Securities of such series. The Company hereby agrees to compensate the Trustee for any services thereafter reasonably and properly rendered and to reimburse the Trustee for any costs or expenses theretofore and thereafter reasonably and properly incurred by the Trustee in connection with this Indenture or the Securities of such series.

Notwithstanding the satisfaction and discharge of this Indenture with respect to the Securities of any or all series, the obligations of the Company to the Trustee under Section 7.6 shall survive.

12.2 **Application by Trustee of Funds Deposited for Payment of Securities.** Subject to Section 12.4, all moneys deposited with the Trustee pursuant to Section 12.1 shall be held in trust and applied by it to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent), to the holders of the particular Securities of such series, for the payment or redemption of which such moneys have been deposited with the Trustee, of all sums due and to become due thereon for principal and interest.

12.3 **Repayment of Moneys Held by Paying Agent.** In connection with the satisfaction and discharge of this Indenture with respect to Securities of any series, all moneys with respect to Securities of such series then held by any Paying Agent under the provisions of this Indenture shall, upon demand of the Company, be paid to the Trustee and thereupon such Paying Agent shall be released from all further liability with respect to such moneys.

12.4 **Repayment of Moneys Held by Trustee.** Any moneys deposited with the Trustee or any Paying Agent for the payment of the principal of or any interest on any Securities of any series and not applied but remaining unclaimed by the holders of Securities of such series for two years after the date upon which such payment shall have become due and payable, shall, at the request of the Company, be repaid to the Company by the Trustee or by such Paying Agent; and the holder of any of the Securities of such series entitled to receive such payment shall thereafter look only to the Company for the payment thereof; *provided, however,* that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once a week for two successive weeks (in each case on any day of the week) in an Authorized Newspaper, or mailed to the registered holders thereof, a notice that said moneys have not been so applied and that after a date named therein any unclaimed balance of said money then remaining will be returned to the Company.

12.5 Defeasance and Covenant Defeasance.

(a) Unless, pursuant to Section 2.1, either or both of (i) defeasance of the Securities of or within a series under clause (b) of this Section 12.5 or (ii) covenant defeasance of the Securities of or within a series under clause (c) of this Section 12.5 shall not be applicable with respect to the Securities of such series, then such provisions, together with the other provisions of this Section 12.5 (with such modifications thereto as may be specified pursuant to Section 2.1 with respect to any Securities), shall be applicable to such Securities, and the Company may at its option by Resolution of the Company, at any time, with respect to such Securities, elect to have Section 12.5(b) or Section 12.5(c) be applied to such outstanding Securities upon compliance with the conditions set forth below in this Section 12.5.

(b) Upon the Company's exercise of the above option applicable to this Section 12.5(b) with respect to any Securities of or within a series, the Company shall be deemed to have been discharged from its obligations with respect to such outstanding Securities on the date the conditions set forth in clause (d) of this Section 12.5 are satisfied (hereinafter, "defeasance"). For this purpose, such defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by such outstanding Securities, which shall thereafter be deemed to be "outstanding" only for the purposes of clause (e) of this Section 12.5 and the other Sections of this Indenture referred to in clauses (i) and (ii) below, and to have satisfied all of its other obligations under such Securities and this Indenture insofar as such Securities are concerned (and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder: (i) the rights of holders of such outstanding Securities to receive, solely from the trust fund described in clause (d) of this Section 12.5 and as more fully set forth in such Section, payments in respect of the principal of (and premium, if any) and interest, if any, on, and Additional Interest, if any, with respect to, such Securities when such payments are due, and any rights of such holder to convert or exchange such Securities into Capital Stock or other securities, (ii) the obligations of the Company and the Trustee with respect to such Securities under Sections 2.5, 2.7, 4.2 and 12.4, with respect to the payment of Additional Interest, if any, on such Securities (but only to the extent that the Additional Interest payable with respect to such Securities exceeds the amount deposited in respect of such Additional Interest pursuant to Section 12.5(d)(i) below), and with respect to any rights to convert or exchange such Securities into Capital Stock or other securities, (iii) the rights, powers, trusts, duties and immunities of the Trustee hereunder (including under Section 7.6) and (iv) this Section 12.5. The Company may exercise its option under this Section 12.5(b) notwithstanding the prior exercise of its option under clause (c) of this Section 12.5 with respect to such Securities.

(c) Upon the Company's exercise of the above option applicable to this Section 12.5(c) with respect to any Securities of or within a series, the Company shall be released from any covenant applicable to such Securities specified pursuant to Section 2.1(t), with respect to such outstanding Securities on and after the date the conditions set forth in clause (d) of this Section 12.5 are satisfied (hereinafter, "covenant defeasance"), and such Securities shall thereafter be deemed to be not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of holders (and the consequences of any thereof) in connection with any such covenant, but shall continue to be deemed "outstanding" for all other purposes hereunder. For this purpose, such covenant defeasance means that, with respect to such outstanding Securities, the Company may omit to comply with, and shall have no liability in respect of, any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a default or an Event of Default under Section 6.1(c) or otherwise, as the case may be, but, except as specified above, the remainder of this Indenture and such Securities shall be unaffected thereby.

(d) The following shall be the conditions to application of clause (b) or (c) of this Section 12.5 to any outstanding Securities of or within a series:

(i) The Company shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee satisfying the requirements of Section 7.9 who shall agree to comply with the provisions of this Section 12.5 applicable to it) as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the holders of such Securities, (1) an amount in Dollars, or (2) Government Obligations applicable to such Securities which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment of principal of (and premium, if any) and interest, if any, on such Securities, money in an amount, or (3) a combination thereof, in any case, in an amount, sufficient, without consideration of any reinvestment of such principal and interest, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or other qualifying trustee) to pay and discharge, (y) the principal of (and premium, if any) and interest, if any, on, and, to the extent that such Securities provide for the payment of Additional Interest thereon and the amount of any such Additional Interest is at the time of deposit reasonably determinable by the Company (in the exercise by the Company of its sole and absolute discretion), any Additional Interest with respect to, such outstanding Securities to and including the Stated Maturity of such principal or installment of principal or interest or the redemption date established pursuant to clause (iv) below, if any, and (z) any mandatory sinking fund payments or analogous payments applicable to such outstanding Securities on the day on which such payments are due and payable in accordance with the terms of this Indenture and of such Securities.

- (ii) Such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a default under, this Indenture or any other material agreement or instrument to which the Company is a party or by which it is bound.
- (iii) Solely in the case of an election under clause (b) of this Section 12.5, no Event of Default or event which with notice or lapse of time or both would become an Event of Default with respect to such Securities shall have occurred and be continuing on the date of such deposit and, with respect to defeasance only, at any time during the period ending on the 91st day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period).
- (iv) If the Securities are to be redeemed prior to Stated Maturity (other than from mandatory sinking fund payments or analogous payments), notice of such redemption shall have been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee shall have been made.
- (v) The Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent to the defeasance or covenant defeasance under clause (b) or (c) of this Section 12.5 (as the case may be) have been complied with.
- (vi) The Company shall have delivered to the Trustee an Opinion of Counsel to the effect that beneficial owners of such Securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the Company's exercise of its option under clause (b) or (c) of this Section 12.5, and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred, which Opinion of Counsel must be based, solely in the case of a defeasance under clause (b) of this Section 12.5, upon a ruling of the Internal Revenue Service to the same effect or a change in applicable federal income tax law or related treasury regulations after the date of this Indenture. Notwithstanding the foregoing, the Opinion of Counsel required with respect to a legal defeasance need not be delivered if all of the Securities not theretofore delivered to the Trustee for cancellation (x) have become due and payable or (y) will become due and payable at their Stated Maturity within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company.
- (vii) Notwithstanding any other provisions of this Section 12.5(d), such defeasance or covenant defeasance shall be effected in compliance with any additional or substitute terms, conditions or limitations which may be imposed on the Company in connection therewith pursuant to Section 2.1.

(e) Subject to the provisions of Section 7.5, all money and Government Obligations (or other property as may be provided pursuant to Section 2.1) (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 12.5(d), the “Trustee”) pursuant to clause (d) of Section 12.5 in respect of any outstanding Securities of any series shall be held in trust and applied by the Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the holders of such Securities of all sums due and to become due thereon in respect of principal (and premium, if any) and interest and Additional Interest, if any, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, or fee or other charge, in each case, imposed by a governmental authority, imposed on or assessed against the Government Obligations deposited pursuant to this Section 12.5 or the principal or interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of or in respect of the holders of such outstanding Securities.

Anything in this Section 12.5 to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon request by the Company any money or Government Obligations (or other property and any proceeds therefrom) held by it as provided in clause (d) of this Section 12.5 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof which would then be required to be deposited to effect a defeasance or covenant defeasance, as applicable, in accordance with this Section 12.5.

Any trustee appointed pursuant to Section 12.5(d)(i) for the purpose of holding money or Government Obligations deposited pursuant to that Subsection shall be appointed under an agreement in form acceptable to the Trustee and shall provide to the Trustee a certificate of such trustee, upon which certificate the Trustee shall be entitled to conclusively rely, that all conditions precedent provided for herein to the related defeasance or covenant defeasance have been complied with. In no event shall the Trustee be liable for any acts or omissions of said trustee.

If the Trustee (or other qualifying trustee) is unable to apply any money or Government Obligations in accordance with Section 12.2 or 12.5, as applicable, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Company’s obligations under this Indenture and the Securities shall be revived and reinstated as though no deposit had occurred pursuant to Section 12.1 or 12.5 until such time as the Trustee (or other qualifying trustee) is permitted to apply all such money or Government Obligations in accordance with Section 12.2 or 12.5, as applicable; *provided, however*, that if the Company has made any payment of principal of or any premium or interest on any Securities because of the reinstatement of its obligations, the Company shall be subrogated to the rights of the holders of such Securities to receive such payment from the money or Government Obligations held by the Trustee (or other qualifying trustee).

ARTICLE XIII IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS, DIRECTORS AND EMPLOYEES

13.1 Incorporators, Stockholders, Officers, Directors and Employees of Company Exempt from Individual Liability. No recourse under or upon any obligation, covenant or agreement of this Indenture, or of any Security, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, stockholder, officer, director or employee, as such, past, present or future, of the Company or of any successor, either directly or through the Company, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly understood that this Indenture and the obligations issued hereunder are solely corporate obligations, and that no personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, stockholders, officers, directors or employees, as such, of the Company or any successor, or any of them, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom; and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against every such incorporator, stockholder, officer, director or employee, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or implied therefrom are hereby expressly waived and released as a condition of and as a consideration for, the execution of this Indenture and the issue of such Securities.

ARTICLE XIV SUBORDINATION OF SECURITIES

14.1 **Agreement to Subordinate.** The Company, for itself, its successors and assigns, covenants and agrees, and each holder of a Security of any series likewise covenants and agrees by its acceptance thereof, that the obligation of the Company to make any payment on account of the principal of and interest on each and all of the Securities of any series shall be subordinate and junior in right of payment to the Company's obligations to the holders of Priority Indebtedness of the Company.

In the case of any insolvency, receivership, conservatorship, reorganization, readjustment of debt, marshaling of assets and liabilities or similar proceedings or any liquidation or winding-up of or relating to the Company as a whole, whether voluntary or involuntary, all obligations of the Company to holders of Priority Indebtedness of the Company shall be entitled to be paid in full before any payment shall be made on account of the principal of or interest on any of the Securities. In the event of any such proceeding, after payment in full of all sums owing with respect to Priority Indebtedness of the Company, the holders of the Securities of each series, together with the holders of any obligations of the Company ranking on a parity with the Securities, shall be entitled to be paid from the remaining assets of the Company the amounts at the time due and owing on account of unpaid principal of and interest on the Securities of any series before any payment or other distribution, whether in cash, property or otherwise, shall be made on account of any capital stock or any obligations of the Company ranking junior to the Securities. In addition, in the event of any such proceeding, if any payment or distribution of assets of the Company of any kind or character whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Company being subordinated to the payment of the Securities of any series shall be received by the Trustee or the holders of the Securities of any series before all Priority Indebtedness of the Company is paid in full, such payment or distribution shall be held in trust for the benefit of and shall be paid over to the holders of such Priority Indebtedness of the Company or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Priority Indebtedness of the Company may have been issued, ratably, for application to the payment of all Priority Indebtedness of the Company remaining unpaid until all such Priority Indebtedness of the Company shall have been paid in full, after giving effect to any concurrent payment or distribution to the holders of such Priority Indebtedness of the Company. The obligations of the Company in respect of the Securities of all series shall rank on a parity with any obligations of the Company ranking on a parity with the Securities. Nothing in this Article shall apply to claims of, or payments to, the Trustee under or pursuant to Section 7.6.

The subordination provisions of the foregoing paragraph and Section 14.9 shall not be applicable to amounts at the time due and owing on the Securities of any series on account of the unpaid principal of or interest on the Securities of such series for the payment of which funds have been deposited in trust with the Trustee or any Paying Agent or have been set aside by the Company in trust in accordance with the provisions of this Indenture; nor shall such provisions impair any rights, interests, or powers of any secured creditor of the Company in respect of any security the creation of which is not prohibited by the provisions of this Indenture.

The Company shall give written notice to the Trustee within 10 Business Days after the occurrence of (i) any insolvency, receivership, conservatorship, reorganization, readjustment of debt, marshaling of assets and liabilities or similar proceedings or any liquidation or winding-up of or relating to the Company as a whole, whether voluntary or involuntary, (ii) any Event of Default described in 6.1(d) or 6.1(e), or (iii) any event specified in Section 14.9. The Trustee, subject to the provisions of Section 7.1, shall be entitled to assume that, and may act as if, no such event referred to in the preceding sentence has occurred unless a Responsible Officer of the Trustee assigned to the Trustee's corporate trust department has received at the designated office of the Trustee from the Company or any one or more holders of Priority Indebtedness of the Company or any trustee or representative therefor (who shall have been certified or otherwise established to the satisfaction of the Trustee to be such a holder or trustee or representative) written notice thereof. Upon any distribution of assets of the Company referred to in this Article, the Trustee and holders of the Securities of each series shall be entitled to rely upon any order or decree of a court of competent jurisdiction in which proceedings relating to any event specified in the first sentence of this paragraph are pending for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Priority Indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon, and all other facts pertinent thereto or to this Article, and the Trustee, subject to the provisions of Article VII, and the holders of the Securities of each series shall be entitled to rely upon a certificate of the liquidating trustee or agent or other person making any distribution to the Trustee or to the holders of the Securities of each series for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Priority Indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article. In the absence of any such liquidating trustee, agent or other person, the Trustee shall be entitled to rely upon a written notice by a Person representing himself to be a holder of Priority Indebtedness of the Company (or a trustee or representative on behalf of such holder) as evidence that such Person is a holder of such Priority Indebtedness (or is such a trustee or representative). In the event that the Trustee determines, in good faith, that further evidence is required with respect to the right of any Person, as a holder of Priority Indebtedness of the Company, to participate in any payment or distribution pursuant to this Article, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of such Priority Indebtedness held by such Person, as to the extent to which such Person is entitled to participation in such payment or distribution, and as to other facts pertinent to the rights of such Person under this Article, and if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

14.2 Obligation of the Company Unconditional. Nothing contained in this Article or elsewhere in this Indenture is intended to or shall impair, as between the Company and the holders of the Securities of each series, the obligation of the Company, which is absolute and unconditional, to pay to such holders the principal of and interest on such Securities of each series when, where and as the same shall become due and payable, all in accordance with the terms of such Securities, or is intended to or shall affect the relative rights of such holders and creditors of the Company other than the holders of the Priority Indebtedness of the Company, nor shall anything herein or therein prevent the Trustee or the holder of any Security from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article of the holders of Priority Indebtedness of the Company in respect of cash, property, or securities of the Company received upon the exercise of any such remedy.

14.3 Limitations on Duties to Holders of Priority Indebtedness of the Company. With respect to the holders of Priority Indebtedness of the Company, the Trustee undertakes to perform or to observe only such of its covenants and obligations as are specifically set forth in this Article, and no implied covenants or obligations with respect to the holders of Priority Indebtedness of the Company shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of Priority Indebtedness of the Company, except with respect to moneys held in trust pursuant to the first paragraph of Section 14.1.

14.4 Notice to Trustee of Facts Prohibiting Payment. Notwithstanding any of the provisions of this Article or any other provisions of this Indenture, the Trustee shall not at any time be charged with knowledge of the existence of any facts which would prohibit the making of any payment of moneys to or by the Trustee unless and until a Responsible Officer of the Trustee assigned to its corporate trust department shall have received at the designated office of the Trustee written notice thereof from the Company or from one or more holders of Priority Indebtedness of the Company or from any trustee therefor or representative thereof who shall have been certified by the Company or otherwise established to the reasonable satisfaction of the Trustee to be such a holder or trustee or representative; and, prior to the receipt of any such written notice, the Trustee, subject to the provisions of Section 7.1, shall be entitled in all respects to assume that no such facts exist; *provided, however,* that, if prior to the fifth Business Day preceding the date upon which by the terms hereof any such moneys may become payable for any purpose, or in the event of the execution of an instrument pursuant to Section 12.1 or 12.5 acknowledging satisfaction and discharge of this Indenture or acknowledging a defeasance or in the event of a deposit under Section 12.5(d)(i) with respect to a covenant defeasance, then, if prior to the second Business Day preceding the date of such execution or deposit, as the case may be, the Trustee shall not have received with respect to such moneys or the moneys and/or Government Obligations deposited pursuant to Section 12.5 the notice provided for in this Section, then, anything herein contained to the contrary notwithstanding, the Trustee shall have full power and authority to receive such moneys and/or Government Obligations and/or apply the same to the purpose for which they were received, and shall not be affected by any notice to the contrary which may be received by it on or after such date; *provided, however,* no such application shall affect the obligations under this Article of the Persons receiving such moneys from the Trustee.

14.5 **Application by Trustee of Moneys Deposited with It.** Anything in this Indenture to the contrary notwithstanding, any deposit of moneys by the Company with the Trustee or any agent (whether or not in trust) for any payment of the principal of or interest on any Securities shall, except as provided in Section 14.4, be subject to the provisions of Section 14.1.

14.6 **Subrogation.** Subject to the payment in full of all Priority Indebtedness of the Company, the holders of the Securities of each series shall be subrogated to the rights of the holders of such Priority Indebtedness to receive payments or distributions of assets of the Company applicable to such Priority Indebtedness until the Securities shall be paid in full, and none of the payments or distributions to the holders of such Priority Indebtedness to which the holders of the Securities of any series or the Trustee would be entitled except for the provisions of this Article or of payments over pursuant to the provisions of this Article to the holders of such Priority Indebtedness by the holders of such Securities or the Trustee shall, as among the Company, its creditors other than the holders of such Priority Indebtedness, and the holders of such Securities, be deemed to be a payment by the Company to or on account of such Priority Indebtedness; it being understood that the provisions of this Article are and are intended solely for the purpose of defining the relative rights of the holders of such Securities, on the one hand, and the holders of the Priority Indebtedness of the Company, on the other hand.

14.7 **Subordination Rights Not Impaired by Acts or Omissions of Company or Holders of Priority Indebtedness of the Company.** No right of any present or future holders of any Priority Indebtedness of the Company to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof with which any such holder may have or be otherwise charged. The holders of Priority Indebtedness of the Company may, at any time or from time to time and in their absolute discretion, change the manner, place or terms of payment, change or extend the time of payment of, or renew or alter, any such Priority Indebtedness of the Company, or amend or supplement any instrument pursuant to which any such Priority Indebtedness of the Company is issued or by which it may be secured, or release any security therefor, or exercise or refrain from exercising any other of their rights under the Priority Indebtedness of the Company including, without limitation, the waiver of default thereunder, all without notice to or assent from the holders of the Securities of each series or the Trustee and without affecting the obligations of the Company, the Trustee or the holders of such Securities under this Article.

14.8 **Authorization of Trustee to Effectuate Subordination of Securities.** Each holder of a Security of any series, by its acceptance thereof, authorizes and expressly directs the Trustee on its behalf to take such action as may be necessary or appropriate to effectuate, as between the holders of such Securities and the holders of Priority Indebtedness of the Company, the subordination provided in this Article. If, in the event of any proceeding or other action relating to the Company referred to in the second paragraph of Section 14.1, a proper claim or proof of debt in the form required in such proceeding or action is not filed by or on behalf of the holders of the Securities of any series prior to fifteen days before the expiration of the time to file such claim or claims, then the holder or holders of Priority Indebtedness of the Company shall have the right to file and are hereby authorized to file an appropriate claim for and on behalf of the holders of such Securities.

14.9 **No Payment when Priority Indebtedness in Default.** In the event and during the continuation of any default beyond any applicable grace period in the payment of principal of or interest on any Priority Indebtedness, or in the event that any event of default with respect to any Priority Indebtedness shall have occurred and be continuing and shall have resulted in such Priority Indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, unless and until such event of default shall have been cured, waived or remedied or shall have ceased to exist and such acceleration shall have been rescinded or annulled or all amounts due on such Priority Indebtedness are paid in full in cash or other permitted consideration, or in the event any judicial proceeding shall be pending with respect to any such default in payment or such event or default (unless and until all amounts due on such Priority Indebtedness are paid in full in cash or other permitted consideration), then no payment or distribution of any kind or character, whether in cash, properties or securities (except Permitted Junior Securities) shall be made by the Company on account of principal of (or premium, if any) or interest (including any Additional Interest) if any, on the Securities or on account of the purchase or other acquisition of Securities by the Company or any Subsidiary.

For purposes of this Article only, the words "cash, properties or securities" shall not be deemed to include shares of stock or warrants to purchase shares of stock of the Company as reorganized or readjusted, or securities of the Company or any other corporation provided for by a plan of reorganization or readjustment which are subordinate in right of payment to all Priority Indebtedness of the Company which may at the time be outstanding to the same extent as, or to a greater extent than, the Securities are so subordinated as provided in this Article (collectively, the "Permitted Junior Securities").

The consolidation of the Company with, or the merger of the Company into, another Person or the liquidation or dissolution of the Company following the conveyance or transfer of its property as an entirety, or substantially as an entirety, to another Person upon the terms and conditions provided for in Article XI hereof shall not be deemed a dissolution, winding-up, liquidation or reorganization for the purposes of this Section 14.9 if such other Person shall, as a part of such consolidation, merger, conveyance or transfer, comply with the conditions stated in Article XI hereof.

In the event that, notwithstanding the foregoing, the Company shall make any payment to the Trustee or the holder of any Security prohibited by the foregoing provisions of this Section, and if such fact shall, at or prior to the time of such payment, have been made known to the Trustee or, as the case may be, such holder, then and in such event payment shall be paid over and delivered forthwith to the Company.

14.10 Right of Trustee to Hold Priority Indebtedness of the Company. The Trustee shall be entitled to all of the rights set forth in this Article in respect of any Priority Indebtedness of the Company at any time held by it in its individual capacity to the same extent as any other holder of such Priority Indebtedness, and nothing in this Indenture shall be construed to deprive the Trustee of any of its rights as such holder.

14.11 Article XIV Not to Prevent Defaults. The failure of the Company to make a payment pursuant to the terms of Securities of any series by reason of any provision in this Article shall not be construed as preventing the occurrence of an Event of Default under this Indenture.

ARTICLE XV MISCELLANEOUS PROVISIONS

15.1 Successors and Assigns of Company Bound by Indenture. All the covenants, stipulations, promises and agreements in this Indenture contained by or in behalf of the Company shall bind its successors and assigns, whether so expressed or not.

15.2 Acts of Board, Committee or Officer of Successor Valid. Any act or proceeding by any provision of this Indenture authorized or required to be done or performed by any board, committee or officer or officers of the Company shall and may be done and performed with like force and effect by the like governing body or bodies or authorized person or persons of any Person that shall at the time be the lawful sole successor of the Company.

15.3 Required Notices or Demands May be Served by Mail. Any notice or demand which by any provisions of this Indenture is required or permitted to be given or served by the Trustee, by the holders of Securities or by the holders of Preferred Securities to or on the Company may be given or served by registered mail postage prepaid addressed (until another address is filed by the Company with the Trustee for such purpose), or overnight air courier guaranteeing next day delivery as follows: South Jersey Industries, Inc., 1 South Jersey Plaza, Folsom, New Jersey 08037, Attn: General Counsel. Any notice, direction, request, demand, consent or waiver by the Company, by any Securityholder or by any holder of a Preferred Security to or upon the Trustee shall be deemed to have been sufficiently given, made or filed, for all purposes, if given, made or filed in writing and received by a Responsible Officer of the Trustee at its Corporate Trust Office.

Any notice or communication to a Holder shall be mailed by first class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address shown on the register kept by the registrar. Any notice or communication shall also be so mailed to any Person described in TIA Section 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a holder or any defect in it shall not affect its sufficiency with respect to other holders. Notwithstanding any other provision of this Indenture or any Security, where this Indenture or any Security provides for notice of any event (including any notice of redemption or repurchase) to a holder of a global Security (whether by mail or otherwise), such notice shall be sufficiently given if given to the Depositary (or its designee) pursuant to the standing instructions from the Depositary or its designee, including by electronic mail in accordance with Applicable Procedures.

15.4 Officer's Certificate and Opinion of Counsel to be Furnished upon Applications or Demands by the Company. Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents or any of them is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to Section 4.6) shall comply with the provisions of TIA Section 314(e) and shall include:

- (i) a statement that the Person making such certificate or opinion has read such covenant or condition;
- (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (iii) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him or her to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (iv) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

15.5 Payments Due on Saturdays, Sundays and Holidays. In any case where the date of payment of interest on or principal of the Securities of any series or the date fixed for any redemption of any Security of any series shall not be a Business Day, then payment of interest or principal need not be made on such date, but shall be made on the next succeeding Business Day with the same force and effect as if made on the date fixed for the payment of interest on or principal of the Security or the date fixed for any redemption of any Security of such series, and no additional interest shall accrue for the period after such date and before payment.

15.6 Provisions Required by Trust Indenture Act to Control. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with another provision included in this Indenture which is required to be included in this Indenture by any of Sections 310 to 317, inclusive, of the Trust Indenture Act through operation of Section 318 thereof, such required provision shall control.

15.7 Indenture and Securities to be Construed in Accordance with the Laws of the State of New York. This Indenture and each Security shall be governed by the laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said State (without regard to conflicts of laws principles thereof).

15.8 Provisions of the Indenture and Securities for the Sole Benefit of the Parties and the Securityholders. Nothing in this Indenture or in the Securities, expressed or implied, shall give or be construed to give any person, firm or corporation, other than the parties hereto, their successors and assigns, the holders of the Securities, and the holders of any Priority Indebtedness of the Company, any legal or equitable right, remedy or claim under or in respect of this Indenture, or under any covenant, condition and provision herein contained; all its covenants, conditions and provisions being for the sole benefit of the parties hereto and their successors and assigns and of the holders of the Securities and, to the extent expressly provided in Sections 4.9, 6.1, 6.5, 6.6, 9.7, 10.1 and 10.2, the holders of Preferred Securities.

15.9 **Indenture May be Executed in Counterparts.** This Indenture may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

15.10 **Securities in Foreign Currencies.** Whenever this Indenture provides for any action by, or any distribution to, holders of Securities denominated in United States dollars and in any other currency, in the absence of any provision to the contrary in the form of Security of any particular series, the relative amount in respect of any Security denominated in a currency other than United States dollars shall be treated for any such action or distribution as that amount of United States dollars that could be obtained for such amount on such reasonable basis of exchange and as of such date as the Company may specify in a written notice to the Trustee.

15.11 **Table of Contents, Headings, etc.** The Table of Contents, cross reference table and the titles and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

15.12 **Patriot Act Requirements of Trustee.** The parties hereto acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Indenture agree that they will provide to the Trustee such information as it may request, from time to time, in order for the Trustee to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

15.13 **Jury Trial Waiver.** EACH OF THE COMPANY, THE SECURITYHOLDERS AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE SECURITIES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

IN WITNESS WHEREOF, SOUTH JERSEY INDUSTRIES, INC., the party of the first part, has caused this Indenture to be duly executed, and
[], the party of the second part, has caused this Indenture to be duly executed, all as of the day and year first written above.

SOUTH JERSEY INDUSTRIES, INC.

By: _____

Name:

Title:

[], as trustee

By: _____

Name:

Title:

[Signature Page to Junior Subordinated Indenture]

[Letterhead of South Jersey Industries, Inc.]

September 9, 2019

South Jersey Industries, Inc.
1 South Jersey Plaza
Folsom, NJ 08037

Re: *South Jersey Industries, Inc.*
Registration Statement on Form S-3

Ladies and Gentlemen:

I, as Senior Vice President, General Counsel of South Jersey Industries, Inc., a New Jersey corporation (the “Company”), have acted as counsel to the Company in connection with the preparation and filing with the Securities and Exchange Commission (the “Commission”) of a Registration Statement on Form S-3 (the “Registration Statement”) under the Securities Act of 1933, as amended (the “Securities Act”), relating to the registration under the Securities Act and the proposed issuance and sale from time to time pursuant to Rule 415 under the Securities Act, together or separately and in one or more series (if applicable) of:

- (i) the Company’s unsecured debt securities, which may either be senior debt securities (the “Senior Debt Securities”), subordinated debt securities (the “Subordinated Debt Securities”) or junior subordinated debt securities (the “Junior Subordinated Debt Securities” and, collectively with the Senior Debt Securities and the Subordinated Debt Securities, the “Debt Securities”);
- (ii) shares of the Company’s common stock, par value \$1.25 per share (the “Common Stock”);
- (iii) shares of the Company’s preference stock, without par value (the “Preference Stock”);
- (iv) depositary shares each representing a fraction of a share of a particular series of Preference Stock (the “Depositary Shares”);
- (v) contracts for the purchase or sale of Debt Securities, Preference Stock or Common Stock or other securities, currencies or commodities (the “Purchase Contracts”);
- (vi) warrants for the purchase of Common Stock, Preference Stock, Depositary Shares or Debt Securities (the “Warrants”); and
- (vii) units of the Company comprising any combination of Common Stock, Preference Stock, Depositary Shares, Purchase Contracts or Debt Securities (the “Units”).

The Debt Securities, Common Stock, Preference Stock, Depositary Shares, Purchase Contracts, Warrants, and Units are collectively referred to herein as the “Securities.” The Senior Debt Securities are to be issued under an indenture to be entered into between the Company and a financial institution to be named at the time such indenture is executed (a “Trust Company”), as indenture trustee (the “Senior Base Indenture”). The Subordinated Debt Securities are to be issued under an indenture to be entered into between the Company and a Trust Company, as indenture trustee (the “Subordinated Base Indenture”). The Junior Subordinated Debt Securities are to be issued under an indenture to be entered into between the Company and a Trust Company, as indenture trustee (the “Junior Subordinated Base Indenture” and, together with the Senior Base Indenture and the Subordinated Base Indenture, the “Base Indentures”).

In arriving at the opinions expressed below, I have examined originals, or copies certified or otherwise identified to my satisfaction as being true and complete copies of the originals, of forms of the Base Indentures, specimen Common Stock certificates and such other documents, corporate records, certificates of officers of the Company and of public officials and other instruments as I have deemed necessary or advisable to enable me to render these opinions. In my examination, I have assumed the genuineness of all signatures, the legal capacity and competency of all natural persons, the authenticity of all documents submitted to me as originals and the conformity to original documents of all documents submitted to me as copies. As to any facts material to these opinions, I have relied to the extent I deemed appropriate and without independent investigation upon statements and representations of officers and other representatives of the Company and others.

I have assumed without independent investigation that:

- (i) at the time any Securities are sold pursuant to the Registration Statement (the “Relevant Time”), the Registration Statement and any supplements and amendments thereto (including post-effective amendments) will be effective and will comply with all applicable laws;
 - (ii) at the Relevant Time, a prospectus supplement will have been prepared and filed with the Commission describing the Securities offered thereby and all related documentation and will comply with all applicable laws;
 - (iii) all Securities will be issued and sold in the manner stated in the Registration Statement and the applicable prospectus supplement;
 - (iv) at the Relevant Time, all corporate or other action required to be taken by the Company to duly authorize each proposed issuance of Securities and any related documentation (including (i) the due reservation of any shares of Common Stock or Preference Stock for issuance upon exercise, conversion or exchange of any Securities for Common Stock or Preference Stock (a “Convertible Security”), and (ii) the execution (in the case of certificated Securities), delivery and performance of the Securities and any related documentation referred to in paragraphs 1 and 2 below) shall have been duly completed and shall remain in full force and effect;
 - (v) upon issuance of any Common Stock or Preference Stock, including upon exercise, conversion or exchange of any Convertible Security, the total number of shares of Common Stock or Preference Stock issued and outstanding will not exceed the total number of shares of Common Stock or Preference Stock, as applicable, that the Company is then authorized to issue under its certificate of incorporation and other relevant documents; and
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(vi) at the Relevant Time, a definitive purchase, underwriting or similar agreement and any other necessary agreement with respect to any Securities offered or issued will have been duly authorized by all necessary corporate or other action of the Company and duly executed and delivered by the Company and the other parties thereto.

Based on the foregoing and in reliance thereon, and subject to the assumptions, exceptions, qualifications and limitations set forth herein, I am of the opinion that:

1. With respect to any shares of Preference Stock, when:

a. the Board of Directors has taken all necessary corporate action to approve the issuance of and the terms of the offering of such shares of Preference Stock and related matters,

b. the certificate of designations relating to such Preference Stock (the "Certificate of Designations") has been duly executed and filed with the Office of the Department of the Treasury of the State of New Jersey,

c. such shares have been issued either (i) in accordance with the applicable definitive purchase, underwriting or similar agreement and for the consideration therefor provided for therein or (ii) upon exercise, conversion or exchange of any Convertible Security and for any additional consideration specified in such Convertible Security or the instrument governing such Convertible Security providing for such conversion or exercise, which consideration (including any consideration paid for such Convertible Security), on a per-share basis, shall in either event not be less than the par value of the Preference Stock, and

d. any such Convertible Security was previously validly issued and is fully paid and non-assessable (in the case of an equity Security) or is a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms,

such shares of Preference Stock will be validly issued, fully paid and non-assessable.

2. With respect to shares of Common Stock, when:

a. the Board of Directors has taken all necessary corporate action to approve the issuance of and the terms of the offering of such shares of Common Stock and related matters,

b. such shares of Common Stock have been duly executed (in the case of certificated shares) and delivered either (i) in accordance with the applicable definitive purchase, underwriting or similar agreement for the consideration provided for therein, or (ii) upon conversion or exercise of any Convertible Security, in accordance with the terms of such Convertible Security or the instrument governing such Convertible Security providing for such conversion or exercise, and for any additional consideration specified therein, which consideration (including any consideration paid for such Convertible Security), on a per-share basis, shall in either event not be less than the par value of the Common Stock, and

c. any such Convertible Security was previously validly issued and is fully paid and non-assessable (in the case of an equity Security) or is a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms,

such shares of Common Stock will be validly issued, fully paid and non-assessable.

3. The Company is duly incorporated, is validly existing and in good standing under the laws of the State of New Jersey and has all requisite power to execute, deliver and perform its obligations under the Base Indentures and all other documents related to the Securities.

I render no opinion herein as to matters involving the laws of any jurisdiction other than the State of New Jersey and the United States of America. This opinion is limited to the effect of the current state of the laws of the State of New Jersey, the United States of America and the facts as they currently exist. I assume no obligation to revise or supplement this opinion in the event of future changes in such laws or the interpretations thereof or such facts.

I consent to the filing of this opinion as an exhibit to the Registration Statement, and I further consent to the use of my name under the caption "Validity of the Securities" in the Registration Statement and the prospectus that forms a part thereof. In giving these consents, I do not thereby admit that I am within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ Melissa Orsen

Name: Melissa Orsen

Title: Senior Vice President, General Counsel

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Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, NY 10166-0193
Tel 212.351.4000
www.gibsondunn.com

September 9, 2019

South Jersey Industries, Inc.
1 South Jersey Plaza
Folsom, NJ 08037

Re: *South Jersey Industries, Inc.*
Registration Statement on Form S-3

Ladies and Gentlemen:

We have acted as special counsel to South Jersey Industries, Inc., a New Jersey corporation (the “Company”), in connection with the preparation and filing with the Securities and Exchange Commission (the “Commission”) of a Registration Statement on Form S-3 (the “Registration Statement”) under the Securities Act of 1933, as amended (the “Securities Act”), relating to the registration under the Securities Act and the proposed issuance and sale from time to time pursuant to Rule 415 under the Securities Act, together or separately and in one or more series (if applicable) of:

- (i) the Company’s unsecured debt securities, which may either be senior debt securities (the “Senior Debt Securities”), senior subordinated debt securities (the “Subordinated Debt Securities”) or junior subordinated debt securities (the “Junior Subordinated Debt Securities” and, collectively with the Senior Debt Securities and the Subordinated Debt Securities, the “Debt Securities”);
- (ii) shares of the Company’s common stock, par value \$1.25 per share (the “Common Stock”);
- (iii) shares of the Company’s preference stock, without par value (the “Preference Stock”);
- (iv) depositary shares each representing a fraction of a share of a particular series of Preference Stock (the “Depositary Shares”);
- (v) contracts for the purchase or sale of Debt Securities, Preference Stock or Common Stock or other securities, currencies or commodities (the “Purchase Contracts”);

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New York • Orange County • Palo Alto • Paris • San Francisco • São Paulo • Singapore • Washington, D.C.

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South Jersey Industries, Inc.

September 9, 2019

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- (vi) warrants for the purchase of Common Stock, Preference Stock, Depositary Shares or Debt Securities (the “Warrants”); and
- (vii) units of the Company comprised of any combination of Common Stock, Preference Stock, Depositary Shares, Purchase Contracts or Debt Securities (the “Units”).

The Debt Securities, Common Stock, Preference Stock, Depositary Shares, Purchase Contracts, Warrants, and Units are collectively referred to herein as the “Securities.” The Senior Debt Securities are to be issued under an indenture to be entered into between the Company and a financial institution to be named at the time such indenture is executed (a “Trust Company”), as indenture trustee (the “Senior Base Indenture”). The Subordinated Debt Securities are to be issued under an indenture to be entered into between the Company and a Trust Company, as indenture trustee (the “Subordinated Base Indenture”). The Junior Subordinated Debt Securities are to be issued under an indenture to be entered between the Company and a Trust Company, as indenture trustee (the “Junior Subordinated Base Indenture” and, together with the Senior Base Indenture and the Subordinated Base Indenture, the “Base Indentures”).

In arriving at the opinions expressed below, we have examined originals, or copies certified or otherwise identified to our satisfaction as being true and complete copies of the originals, of forms of the Base Indentures, forms of the Debt Securities, specimen Common Stock certificates and such other documents, corporate records, certificates of officers of the Company and of public officials and other instruments as we have deemed necessary or advisable to enable us to render these opinions. In our examination, we have assumed the genuineness of all signatures, the legal capacity and competency of all natural persons, the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as copies. As to any facts material to these opinions, we have relied to the extent we deemed appropriate and without independent investigation upon statements and representations of officers and other representatives of the Company and others.

We have assumed without independent investigation that:

- (i) at the time any Securities are sold pursuant to the Registration Statement (the “Relevant Time”), the Registration Statement and any supplements and amendments thereto (including post-effective amendments) will be effective and will comply with all applicable laws;
 - (ii) at the Relevant Time, a prospectus supplement will have been prepared and filed with the Commission describing the Securities offered thereby and all related documentation and will comply with all applicable laws;
 - (iii) all Securities will be issued and sold in the manner stated in the Registration Statement and the applicable prospectus supplement;
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South Jersey Industries, Inc.

September 9, 2019

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(iv) at the Relevant Time, all corporate or other action required to be taken by the Company to duly authorize each proposed issuance of Securities and any related documentation (including (i) the due reservation of any shares of Common Stock or Preference Stock for issuance upon exercise, conversion or exchange of any Securities for Common Stock or Preference Stock (a “Convertible Security”), and (ii) the execution (in the case of certificated Securities), delivery and performance of the Securities and any related documentation referred to in paragraphs 1 through 5 below) shall have been duly completed and shall remain in full force and effect;

(v) upon issuance of any Common Stock or Preference Stock, including upon exercise, conversion or exchange of any Convertible Security, the total number of shares of Common Stock or Preference Stock issued and outstanding will not exceed the total number of shares of Common Stock or Preference Stock, as applicable, that the Company is then authorized to issue under its certificate of incorporation and other relevant documents;

(vi) in the case of Debt Securities, at the Relevant Time, the relevant trustee shall have been duly qualified under the Trust Indenture Act of 1939, as amended (the “TIA”), a Statement of Eligibility of the Trustee on Form T-1 shall have been properly filed with the commission and the relevant Base Indenture shall have been duly executed and delivered by the Company and all other parties thereto and duly qualified under the TIA; and

(vii) at the Relevant Time, a definitive purchase, underwriting or similar agreement and any other necessary agreement with respect to any Securities offered or issued will have been duly authorized by all necessary corporate or other action of the Company and duly executed and delivered by the Company and the other parties thereto.

Based on the foregoing and in reliance thereon, and subject to the assumptions, exceptions, qualifications and limitations set forth herein, we are of the opinion that:

1. With respect to any Debt Securities, when:

- a. the terms and conditions of such Debt Securities have been duly established by supplemental indenture or officers’ certificate in accordance with the terms and conditions of the relevant Base Indenture,
 - b. any such supplemental indenture has been duly executed and delivered by the Company and the relevant trustee (together with the relevant Base Indenture, the “Indenture”), and
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South Jersey Industries, Inc.

September 9, 2019

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- c. such Debt Securities have been executed (in the case of certificated Debt Securities), delivered and authenticated in accordance with the terms of the applicable Indenture and issued and sold for the consideration set forth in the applicable definitive purchase, underwriting or similar agreement,

such Debt Securities will be legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms.

2. With respect to Depositary Shares, when:

- a. a deposit agreement relating to such Depositary Shares (the "Deposit Agreement") has been duly executed and delivered by the Company and the depositary appointed by the Company,
- b. the terms of the Depositary Shares have been established in accordance with the Deposit Agreement, and
- c. the depositary receipts representing the Depositary Shares have been duly executed and countersigned (in the case of certificated Depositary Shares), registered and delivered in accordance with the related Deposit Agreement and the applicable definitive purchase, underwriting or similar agreement for the consideration provided therein,

the depositary receipts evidencing the Depositary Shares will be legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

3. With respect to any Purchase Contracts, when:

- a. the related purchase contract agreement (the "Purchase Contract Agreement"), if any, has been duly executed by the Company and each other party thereto,
 - b. the terms of the Purchase Contracts have been established in accordance with the Purchase Contract Agreement, if any, or the applicable definitive purchase, underwriting or similar agreement,
 - c. the terms of any collateral or security arrangements relating to such Purchase Contracts have been established and the agreements thereto have been validly executed and delivered by each of the parties thereto and any collateral has been deposited with the collateral agent, if applicable, in accordance with such arrangements, and
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- d. such Purchase Contracts have been executed (in the case of certificated Purchase Contracts) and delivered in accordance with the Purchase Contract Agreement, if any, and the applicable definitive purchase, underwriting or similar agreement for the consideration provided for therein,

such Purchase Contracts will be legal, valid and binding obligations of the Company, enforceable in accordance with their terms.

4. With respect to any Warrants, when:

- a. the warrant agreement relating to such Warrants (the "Warrant Agreement"), if any, has been duly executed and delivered by the Company and each other party thereto,
- b. the terms of the Warrants have been established in accordance with the Warrant Agreement, if any, and the applicable definitive purchase, underwriting or similar agreement, and
- c. the Warrants have been duly executed (in the case of certificated Warrants) and delivered in accordance with the Warrant Agreement, if any, and the applicable definitive purchase, underwriting or similar agreement for the consideration provided for therein,

such Warrants will be legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

5. With respect to any Units, when:

- a. the unit agreement relating to the Units (the "Unit Agreement"), if any, has been duly executed and delivered by the Company and each other party thereto,
 - b. the terms of the Units have been duly established in accordance with the Unit Agreement, if any, and the applicable definitive purchase, underwriting or similar agreement, and
 - c. the Units have been duly executed (in the case of certificated Units) and delivered in accordance with the Unit Agreement, if any, and the applicable definitive purchase, underwriting or similar agreement for the consideration provided for therein,
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the Units will be legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

The opinions expressed above are subject to the following exceptions, qualifications, limitations and assumptions:

A. We render no opinion herein as to matters involving the laws of any jurisdiction other than the State of New York and the United States of America. This opinion is limited to the effect of the current state of the laws of the State of New York, the United States of America and the facts as they currently exist. We assume no obligation to revise or supplement this opinion in the event of future changes in such laws or the interpretations thereof or such facts.

B. The opinions above with respect to the Indenture, the Debt Securities, the depositary receipts representing the Depositary Shares, the Deposit Agreement, the Purchase Contracts, any Purchase Contract Agreement, the Warrants, the Warrant Agreement, the Units and the Unit Agreement (collectively, the "Documents") are each subject to (i) the effect of any bankruptcy, insolvency, reorganization, moratorium, arrangement or similar laws affecting the rights and remedies of creditors generally, including without limitation the effect of statutory or other laws regarding fraudulent transfers or preferential transfers, and (ii) general principles of equity, including without limitation concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies regardless of whether enforceability is considered in a proceeding in equity or at law.

C. We express no opinion regarding the effectiveness of (i) any waiver of stay, extension or usury laws or of unknown future rights; (ii) any waiver (whether or not stated as such) under the Indenture or any other Document of, or any consent thereunder relating to, unknown future rights or the rights of any party thereto existing, or duties owing to it, as a matter of law; (iii) any waiver (whether or not stated as such) contained in the Indenture or any other Document of rights of any party, or duties owing to it, that is broadly or vaguely stated or does not describe the right or duty purportedly waived with reasonable specificity; (iv) provisions relating to indemnification, exculpation or contribution, to the extent such provisions may be held unenforceable as contrary to public policy or federal or state securities laws or due to the negligence or willful misconduct of the indemnified party; (v) any provision in any Document waiving the right to object to venue in any court; (vi) any agreement to submit to the jurisdiction of any Federal court; (vii) any waiver of the right to jury trial or (viii) any provision to the effect that every right or remedy is cumulative and may be exercised in addition to any other right or remedy or that the election of some particular remedy does not preclude recourse to one or more others.

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D. To the extent relevant to our opinions in paragraphs 2, 3, 4 and 5 and not covered by our opinions in paragraph 1, we have assumed that any securities, currencies or commodities underlying, comprising or issuable upon exchange, conversion or exercise of any Depositary Shares, Purchase Contracts, Warrants, or Units are validly issued, fully paid and non-assessable (in the case of an equity security) or a legal, valid and binding obligation of the issuer thereof, enforceable against such issuer in accordance with its terms.

You have informed us that you intend to issue Securities from time to time on a delayed or continuous basis, and we understand that prior to issuing any Securities pursuant to the Registration Statement (i) you will advise us in writing of the terms thereof, and (ii) you will afford us an opportunity to (x) review the operative documents pursuant to which such Securities are to be issued or sold (including the applicable offering documents), and (y) file such supplement or amendment to this opinion (if any) as we may reasonably consider necessary or appropriate.

We consent to the filing of this opinion as an exhibit to the Registration Statement, and we further consent to the use of our name under the caption "Validity of the Securities" in the Registration Statement and the prospectus that forms a part thereof. In giving these consents, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission promulgated thereunder.

Very truly yours,

/s/ Gibson, Dunn & Crutcher LLP

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form S-3 (the “Registration Statement”) of our reports dated February 27, 2019, relating to the consolidated financial statements and financial statement schedules of South Jersey Industries, Inc. and subsidiaries (the “Company”) and the effectiveness of the Company’s internal control over financial reporting, appearing in the Annual Report on Form 10-K of the Company for the year ended December 31, 2018, and to the reference to us under the heading “Experts” in the Prospectus, which is part of this Registration Statement.

/s/ Deloitte & Touche LLP

Philadelphia, Pennsylvania
September 9, 2019

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in this Registration Statement on Form S-3 of South Jersey Industries, Inc. of our report dated March 13, 2018, relating to the financial statements of Elizabethtown Gas as of and for the years ended December 31, 2017 and 2016, appearing in Exhibit 99.2 to the Current Report on Form 8-K of South Jersey Industries, Inc. dated September 12, 2018, and to the reference to us under the heading "Experts" in the Prospectus, which is part of the Registration Statement.

/s/ DELOITTE & TOUCHE LLP

Atlanta, Georgia
September 9, 2019

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of South Jersey Industries, Inc. of our report dated February 11, 2016, relating to the financial statements of Elizabethtown Gas, which appears in South Jersey Industries, Inc.'s Current Report on Form 8-K dated September 12, 2018. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP
Houston, Texas
September 9, 2019

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

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE
TRUST INDENTURE ACT OF 1939 OF A CORPORATION
DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE
PURSUANT TO SECTION 305(b)(2)

Branch Banking and Trust Company
(Exact name of trustee as specified in its charter)

North Carolina
(Jurisdiction of incorporation if not a U.S. national
bank)

56-0149200
(I.R.S. Employer Identification Number)

223 West Nash Street
Wilson, NC 27893
(Address of principal executive offices)

27893
(Zip Code)

Cristina G. Rhodebeck
Vice President
223 West Nash Street
Wilson, NC 27893
(704) 838-8915
(Name, address and telephone number of agent for service)

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

SOUTH JERSEY INDUSTRIES, INC.
(Exact name of obligor as specified in its charter)

22-1901645
(IRS Employer Identification Number)

1 South Jersey Plaza
Folsom, New Jersey
(Address of principal executive offices)

08037
(Zip Code)

Junior Subordinated Debt Securities
(Title of the indenture securities)

Item 1. General information.

Furnish the following information as to the trustee-

- (a) Name and address of each examining or supervising authority to which it is subject.

State of North Carolina – Commissioner of Banks
State of North Carolina
Raleigh, North Carolina

Federal Reserve Bank of Richmond
Post Office Box 27622
Richmond, VA 23261

Federal Deposit Insurance Corporation
Washington, D.C.

- (b) Whether it is authorized to exercise corporate trust powers.

Yes.

Item 2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

Based upon an examination of the books and records of the trustee and upon information furnished by the obligor, the obligor is not an affiliate of the trustee.

Items 3-15. No responses are included for Items 3 through 15. Responses to those Items are not required because, as provided in General Instruction B the obligors are not in default on any securities issued under indentures under which Branch Banking and Trust Company is a trustee and Branch Banking and Trust Company is not a foreign trustee.

Item 16. List of Exhibits.

List below all exhibits filed as a part of this statement of eligibility; exhibits identified in parentheses are filed with the Commission and are incorporated herein by reference as exhibits hereto pursuant to Rule 7a-29 under the Trust Indenture Act of 1939, as amended, and Rule 24 of the Commission's Rules of Practice.

1. A copy of the Articles of Incorporation for Branch Banking and Trust Company, as now in effect, is incorporated by reference to Exhibit 1 to the Form T-1 filed as Exhibit 25.1 to Registration Statement No. 333-221438.
 2. The authority of Branch Banking and Trust Company to commence business was granted under the Articles of Incorporation for Branch Banking and Trust Company, incorporated herein by reference to Exhibit 1 of this Form T-1.
 3. The authorization to exercise corporate trust powers was granted under the Articles of Incorporation for Branch Banking and Trust Company, incorporated herein by reference to Exhibit 1 of this Form T-1.
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4. A copy of the existing By-Laws of Branch Banking and Trust Company, as now in effect, is incorporated by reference to Exhibit 4 to the Form T-1 filed as Exhibit 25.1 to Registration Statement No. 333-221438.
 5. Not applicable.
 6. The consent of Trustee as required by Section 321(b) of the Trust Indenture Act of 1939, is attached as Exhibit 6.
 7. The Current Report of the Condition of Trustee, published pursuant to law or the requirements of its supervising or examining authority, is attached as Exhibit 7.
 8. Not applicable.
 9. Not applicable.
-

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the trustee, Branch Banking and Trust Company, a banking corporation organized and existing under the laws of the State of North Carolina, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Wilson and the State of North Carolina, on the 4th day of September, 2019.

BRANCH BANKING AND TRUST COMPANY

By: /s/ Cristina G. Rhodebeck
Name: Cristina G. Rhodebeck
Title: Vice President

EXHIBIT 6 TO FORM T-1

Section 321(b) Consent

Pursuant to Section 321(b) of the Trust Indenture Act of 1939, as amended, Branch Banking and Trust Company hereby consents that reports of examinations by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon requests therefor.

BRANCH BANKING AND TRUST COMPANY

Dated: September 4, 2019

By: /s/ Cristina G. Rhodebeck
Name: Cristina G. Rhodebeck
Title: Vice President

EXHIBIT 7 TO FORM T-1

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS
BB&T CORPORATION AND SUBSIDIARIES

Unaudited (Dollars in millions, except per share data, shares in thousands)	June 30, 2019	December 31, 2018
Assets		
Cash and due from banks	\$ 1,831	\$ 2,753
Interest-bearing deposits with banks	707	984
Cash equivalents	148	143
Restricted cash	15	107
AFS securities at fair value	25,802	25,038
HTM securities (fair value of \$19,565 and \$20,047 at June 30, 2019 and December 31, 2018, respectively)	19,487	20,552
LHFS at fair value	1,237	988
Loans and leases	152,586	149,013
ALLL	(1,595)	(1,558)
Loans and leases, net of ALLL	150,991	147,455
Premises and equipment	2,029	2,118
Goodwill	9,830	9,818
CDI and other intangible assets	712	758
MSRs at fair value	970	1,108
Other assets	17,113	13,875
Total assets	\$ 230,872	\$ 225,697
Liabilities		
Deposits	\$ 159,521	\$ 161,199
Short-term borrowings	10,344	5,178
Long-term debt	22,640	23,709
Accounts payable and other liabilities	6,603	5,433
Total liabilities	199,108	195,519
Commitments and contingencies (Note 14)		
Shareholders' Equity		
Preferred stock, \$5 par, liquidation preference of \$25,000 per share	3,053	3,053
Common stock, \$5 par	3,830	3,817
Additional paid-in capital	6,889	6,849
Retained earnings	19,050	18,118
ACCI, net of deferred income taxes	(1,119)	(1,715)
Noncontrolling interests	61	56
Total shareholders' equity	31,764	30,178
Total liabilities and shareholders' equity	\$ 230,872	\$ 225,697
Common shares outstanding	766,010	763,326
Common shares authorized	2,000,000	2,000,000
Preferred shares outstanding	126	126
Preferred shares authorized	5,000	5,000

The accompanying notes are an integral part of these consolidated financial statements.