

SPRAGUE RESOURCES LP

**SPRAGUE RESOURCES GP LLC
INSIDER TRADING POLICY
(Adopted as of October 14, 2013)**

The Board of Directors (the “*Board*”) of Sprague Resources GP LLC (the “*Company*”), acting in its capacity as the general partner of Sprague Resources LP (the “*Partnership*” and, together with its subsidiaries and the Company, the “*Partnership Group*”), has adopted this Insider Trading Policy (this “*Policy*”), which provides guidelines with respect to transactions in the Partnership’s securities (such as common units, options to buy or sell common units, warrants and convertible securities) and derivative securities relating to the Partnership’s common units, whether or not issued by the Partnership (such as exchange-traded options) for the purpose of promoting compliance with applicable securities laws.

This Policy applies to directors, officers, employees and consultants of the Partnership Group who receive or are aware of Material, Non-Public Information (as defined below) regarding (1) the Partnership and (2) any other company with publicly-traded securities, including the Partnership Group’s customers, joint-venture or strategic partners, vendors and suppliers (“*business partners*”), obtained in the course of employment by or in association with the Partnership Group. This Policy also applies to any person who receives Material, Non-Public Information from an insider. The people to whom this Policy applies are referred to in this Policy as “insiders.” All insiders must comply strictly with this Policy.

The Partnership Group reserves the right to amend or rescind this Policy or any portion of it at any time and to adopt different policies and procedures at any time. In the event of any conflict or inconsistency between this Policy and any other materials distributed by the Partnership Group, this Policy shall govern. If a law conflicts with this Policy, you must comply with the law.

You should read this Policy carefully, ask questions of the Company’s General Counsel, and promptly sign and return the certification attached as **Annex A** acknowledging receipt of this Policy to:

Sprague Resources GP LLC
185 International Drive
Portsmouth, NH 03801
Attention: General Counsel

The Company’s General Counsel is responsible for ensuring that all of the Company’s directors and officers and other employees working on behalf of the Partnership Group promptly sign and return the attached certification acknowledging receipt of this Policy.

I. Definitions and Explanations

A. *Material, Non-Public Information*

1. *What Information is “Material”?*

It is not possible to define all categories of material information. However, information should be regarded as material if there is a substantial likelihood that it would be considered important to an investor in making an investment decision regarding the purchase or sale of the Partnership’s securities. Information that is likely to affect the price of a Partnership’s securities is almost always material. It is also important to remember that either positive or negative information may be material.

While it may be difficult under this standard to determine whether particular information is material, there are various categories of information that are particularly sensitive and, as a general rule, should always be considered material information. Common examples of material information include:

- unpublished financial results (annual, quarterly or otherwise);
- unpublished projections of future earnings or losses;
- news of a pending or proposed merger;
- news of a significant acquisition or a sale of significant assets;
- impending announcements of bankruptcy or financial liquidity problems;
- gain or loss of a substantial customer or supplier;
- changes in the Partnership’s distribution or dividend policy;
- common unit splits;
- changes in the Partnership’s credit ratings;
- new equity or debt offerings;
- significant developments in litigation or regulatory proceedings;
and
- changes in management.

The above list is for illustration purposes only. If securities transactions become the subject of scrutiny, they will be viewed after-the-fact and with the benefit of hindsight. Therefore, before engaging in any securities transaction, you should consider carefully how the Securities and Exchange Commission (“*SEC*”) and others might view your transaction in hindsight and with all of the facts disclosed.

2. *What Information is “Non-Public”?*

Information is “non-public” if it has not been previously disclosed to the general public and is otherwise not generally available to the investing public. In order for information to be considered “public,” it must be widely disseminated in a manner making it generally available to the investing public and the investing public must have had time to absorb the information fully. Generally, one should allow two full Trading Days following publication as a reasonable waiting period before information is deemed to be public.

B. *Related Person*

“Related Person” means, with respect to insiders:

- any spouse, minor child, minor stepchild and anyone else living in the insider’s household;
- partnerships in which the insider is a general partner;
- trusts of which the insider is a trustee; and
- estates of which the insider is an executor.

Although a person’s parent or sibling may not be considered a Related Person (unless living in the same household), a parent or sibling may be considered a “tippee” for securities law purposes.

C. *Trading Day*

“Trading Day” means a day on which national stock exchanges or the Over-The-Counter Bulletin Board Quotation System are open for trading, and a “Trading Day” begins at the time trading begins.

II. *General Policy*

This Policy prohibits insiders from trading or “tipping” others who may trade in the Partnership’s securities while aware of Material, Non-Public Information about the Partnership. Insiders are also prohibited from trading or tipping others who may trade in the securities of another company if they learn Material, Non-Public Information about

the other company in connection with their employment by or relationship with the Partnership Group. These illegal activities are commonly referred to as “insider trading.”

All insiders should treat Material, Non-Public Information about the Partnership Group’s business partners with the same care required with respect to Material, Non-Public Information related directly to the Partnership.

A. Trading on Material, Non-Public Information

No insider or Related Person shall engage in any transaction involving a purchase or sale of the Partnership’s securities, including any offer to purchase or offer to sell, during any period commencing with the date that he or she is aware of Material, Non-Public Information concerning the Partnership, and ending at the beginning of the third Trading Day following the date of public disclosure of the Material, Non-Public Information, or at the time that the information is no longer material.

B. Tipping Others of Material, Non-Public Information

No insider shall disclose or tip Material, Non-Public Information to any other person (including Related Persons) where the Material, Non-Public Information may be used by that person to his or her profit by trading in the securities of the company to which the Material, Non-Public Information relates, nor shall the insider or the Related Person make recommendations or express opinions on the basis of Material, Non-Public Information as to trading in the Partnership’s securities. Insiders are not authorized to recommend the purchase or sale of the Partnership’s securities to any other person regardless of whether the insider is aware of Material, Non-Public Information.

C. Confidentiality of Material, Non-Public Information

Material, Non-Public Information relating to the Partnership is the Partnership Group’s property and the unauthorized disclosure of Material, Non-Public Information is prohibited. If an insider receives any inquiry from outside the Partnership Group (such as a securities analyst) for information (particularly financial results and/or projections) that may be Material, Non-Public Information, the inquiry should be referred to the Company’s Chief Financial Officer, who is responsible for coordinating and overseeing the release of that information to the investing public, securities analysts and others in compliance with applicable laws and regulations.

D. Prohibited Transactions

Because the Board believes it is improper and inappropriate for insiders to engage in short-term or speculative transactions involving certain securities, insiders are prohibited from engaging in any of transactions specified below.

1. *Purchases of Common Units on Margin.* Any of the Partnership's common units purchased in the open market should be paid for in full at the time of purchase. Purchasing the Partnership's common units on margin (e.g., borrowing money from a brokerage firm or other third party to fund the common unit purchase) is strictly prohibited by this Policy.
2. *Short Sales of Common Units.* Any of the Partnership's common units purchased in the open market can be sold by the purchaser at any time, provided that the guidelines outlined in this Policy are adhered to. Selling the Partnership's common units short, however, is strictly prohibited by this Policy. Selling short is the practice of selling more common unit than you own, which is a technique used to speculate on a decline in the common unit price.
3. *Buying or Selling Puts or Calls on Common Units.* The purchase or sale of options of any kind, whether puts or calls, or other derivative securities relating to the Partnership's common units is strictly prohibited by this Policy. A put is a right to sell at a specified price a specific number of common units by a certain date and is utilized in anticipation of a decline in the common unit price. A call is a right to buy at a specified price a specified number of common units by a certain date and is utilized in anticipation of a rise in the common unit price.

E. Additional Guidelines

1. *Standing Orders.* Standing orders (except standing orders under approved Rule 10b5-1 Plans, see Section V below) should be used only for a very brief period of time. The problem with purchases or sales resulting from standing instructions to a broker is that there is no control over the timing of the transaction. The broker could execute a transaction when you are in possession of Material, Non-Public Information.
2. *Pledges of Common Units.* Common units pledged as collateral for a loan may be sold without your consent by the lender in foreclosure if you default on your loan. A foreclosure sale that occurs when you are aware of Material, Non-Public Information may, under some circumstances, result in unlawful insider trading. Because of this danger, you should exercise caution in pledging Partnership securities as collateral for a loan.

F. Post-Termination Transactions

The guidelines set forth in this Section II continue to apply to transactions in the Partnership's securities even after the insider has terminated employment or other service relationship with the Partnership Group as follows: if the insider is aware of Material, Non-Public Information when his or her employment or service relationship terminates, the insider may not trade in the Partnership's securities until that information has become public or is no longer material.

G. No Hardship Waivers

The guidelines set forth in this Section II may not be waived.

III. Additional Trading Guidelines and Requirements for Certain Insiders

A. Blackout Period and Trading Window

The period beginning at the close of market on the 25th calendar day prior to the end of each fiscal quarter or year and ending after two full Trading Days following the date of public disclosure of the financial results for that fiscal quarter ("***Blackout Period***") is a particularly sensitive period of time for transactions in the Partnership's securities from the perspective of compliance with applicable securities laws. This sensitivity is due to the fact that certain insiders will, during the Blackout Period, often be aware of Material, Non-Public Information about the Partnership's expected financial results for the quarter. Certain insiders identified by the Board or the Company's General Counsel and who have been notified that they have been so identified (the "***Window Group***") are prohibited from trading during the Blackout Period. The Company will endeavor to notify the Window Group when the Blackout Period begins. Insiders who have not been identified as being in the Window Group should adhere to the general prohibitions set forth in this Policy.

To ensure compliance with this Policy and applicable federal and state securities laws, the Window Group shall refrain from executing transactions involving the purchase or sale of the Partnership's securities other than during the period commencing at the open of market after the expiration of two full Trading Days following the date of public disclosure of the financial results for a particular fiscal quarter or year and continuing until the close of market on the 25th calendar day prior to the end of each fiscal quarter or year ("***Trading Window***"). The safest period for trading in the Partnership's securities, assuming the absence of Material, Non-Public Information, is generally the first 10 days of the Trading Window.

The prohibition against trading during the Blackout Period encompasses the fulfillment of "limit orders" by any broker, and the brokers with whom the limit order is placed must be so instructed at the time it is placed. The prohibition against trading during the Blackout Period does not apply to transactions involving (1) the exercise of options for cash under the Partnership's option plans

(however, any common units acquired must be held until the Blackout Period has expired), (2) the exercise of a tax withholding right pursuant to which you elect to have the Partnership withhold common units subject to an option to satisfy tax withholding requirements or (3) the purchase of common units through an employee unit purchase plan, if any (however, any common units so acquired must be held until the Blackout Period has expired). The Blackout Period does apply, however, to any sale of common units as part of a broker-assisted cashless exercise of an option or any other market sale for the purpose of generating the cash needed to pay the exercise price of an option.

From time to time, the Window Group may be prohibited from trading the Partnership's securities because of developments known to the Partnership Group and not yet disclosed to the public. In this event, the Window Group may not engage in any transaction involving the purchase or sale of the Partnership's securities until the information has been known publicly for at least two full Trading Days and should not disclose to others the fact of the trading suspension.

It should be noted that even during the Trading Window, any person aware of Material, Non-Public Information concerning the Partnership should not engage in any transactions in the Partnership's securities until the information has been known publicly for at least two full Trading Days. Trading in the Partnership's securities during the Trading Window should not be considered a "safe harbor," and all insiders should use good judgment at all times.

B. Pre-Clearance of Trades

The Window Group must not trade in the Partnership's securities, even during a Trading Window, without first complying with the "pre-clearance" process. Each member of the Window Group should contact the Company's General Counsel prior to commencing any trade in the Partnership's securities. The Company's General Counsel will consult, as necessary, with senior management before clearing any proposed trade. Any proposed trade cleared by the Company's General Counsel shall be reported immediately to the Company's Chief Executive Officer.

C. Hardship Waivers

The guidelines specified in this Section III may be waived, at the discretion of the Company's General Counsel, if compliance would create severe hardship or prevent an insider within the Window Group from complying with a court order, as in the case of a divorce settlement. Any exception approved by the Company's General Counsel shall be reported immediately to the Audit Committee of the Board.

IV. Additional Information for Directors and Officers

The Company's directors and Section 16 officers (as defined below) are required to file Section 16 reports with the SEC when they engage in transactions in the Partnership's securities. Although the Company may generally assist its directors and Section 16 officers in preparing and filing the required reports, directors and Section 16 officers retain responsibility for the reports.

Directors and Section 16 officers shall comply with the policies and procedures set forth in the Partnership Group's Short-Swing Trading and Reporting Policy.

"Section 16 officer" means the Company's president, principal financial officer, principal accounting officer (or if none, the controller) any vice-president of the Company in charge of a principal business unit, division or function (such as sales, administration or finance), and any other officer who performs a policy-making function for the Partnership, as determined from time to time by the Board, or any other person who performs similar policy-making functions for the Partnership, as determined from time to time by the Board.

V. Planned Trading Programs

Rule 10b5-1 under the Exchange Act provides an affirmative defense to an allegation that a trade has been made on the basis of Material, Non-Public Information. Under the affirmative defense, insiders may purchase and sell securities even when aware of Material, Non-Public Information. To meet the requirements of Rule 10b5-1, each of the following elements must be satisfied.

- The purchase or sale of securities was effected pursuant to a pre-existing plan; and
- The insider adopted the plan while unaware of any Material, Non-Public Information.

The general requirements of Rule 10b5-1 are as follows:

- Before becoming aware of Material, Non-Public Information, the insider shall have (1) entered into a binding contract to purchase or sell the Partnership's securities, (2) provided instructions to another person to execute the trade for his or her account or (3) adopted a written plan for trading the Partnership's securities (each of which is referred to as a "Rule 10b5-1 Plan").
- With respect to the purchase or sale of the Partnership's securities, the Rule 10b5-1 Plan either: (1) expressly specified the amount of the securities (whether a specified number of securities or a specified dollar value of securities) to be purchased or sold on a specific date and at a specific price; (2) included a written formula or algorithm, or computer program, for determining the amount of the securities (whether a specified number of securities or a specified dollar value of securities), price and date; or (3) provided an employee or third party who is not

aware of Material, Non-Public Information with discretion to purchase or sell the securities without any subsequent influence from the insider over how, when or whether to trade.

- The purchase or sale that occurred was made pursuant to a written Rule 10b5-1 Plan. The insider cannot deviate from the plan by altering the amount, the price, or the timing of the purchase or sale of the Partnership's securities. Any deviation from, or alteration to, the specifications will render the defense unavailable. Although deviations from a Rule 10b5-1 Plan are not permissible, it is possible for an insider acting in good faith to modify the plan at a time when the insider is unaware of any Material, Non-Public Information. In such a situation, a purchase or sale that complies with the modified plan will be treated as a transaction pursuant to a new plan.
- An insider cannot enter into a corresponding or hedging transaction, or alter an existing corresponding or hedging position with respect to the securities to be bought or sold under the Rule 10b5-1 Plan.

To help demonstrate that a Rule 10b5-1 Plan was entered into in good faith and not as part of an insider-trading scheme, the Board has adopted the following guidelines for such plans:

- *Adoption.* Since adopting a plan is tantamount to an investment decision, the Rule 10b5-1 Plan may be adopted only during an open Trading Window when both (1) insider purchases and sales are otherwise permitted under this Policy and (2) the insider does not possess any Material, Non-Public Information. All Rule 10b5-1 Plans must be pre-cleared in writing in advance of adoption by the Board or the Company's General Counsel and prompt disclosure regarding the plan's adoption must be made through a press release or Current Report on Form 8-K. Insiders are not permitted to have multiple Rule 10b5-1 Plans in operation. Further, the Rule 10b5-1 Plan should be designed such that that it (1) causes a number of smaller sales over a period of time versus a large number of sales over a short period of time and (2) is consistent with the insider's prior trading history to minimize the appearance of sales timed with Material, Non-Public Information.
- *Initial Trading.* The longer the elapsed time between the adoption of the Rule 10b5-1 Plan and the commencement of trading under such plan, the harder it will be for the SEC to show that the plan was based on Material, Non-Public Information. In addition, a plan which allows trading to commence shortly after the creation of the plan increases the likelihood that the SEC will find, in hindsight, that the plan was not entered into in good faith. Accordingly, trades may not be made until (1) the first day that the Trading Window opens after the announcement of the results of the quarter in which the Rule 10b5-1 Plan was adopted, or (2) a waiting period ranging from two weeks to 30 days has expired after adoption of the plan, whichever is later.

- Plan Alterations. The SEC has differentiated between plan deviations and plan modifications. Rule 10b5-1 states that the affirmative defense is not available if the insider altered or *deviated* from the Rule 10b5-1 Plan. On the other hand, *modifications* to Rule 10b5-1 Plans are permitted as long as the insider, acting in good faith, does not possess Material, Non-Public Information at the time of the modification and meets all of the elements required at the inception of the plan. Although not forbidden by Rule 10b5-1, plan modifications, even if prior to receiving non-public information, create the perception that the insider is manipulating the plan to benefit from Material, Non-Public Information, which jeopardizes the good faith element and the availability of the affirmative defense. Therefore, to prevent any indication of a lack of good faith, any plan modifications should, at minimum, comply with the requirements set forth above for the adoption of a new plan, including the public disclosure requirements. Further, the insider should avoid frequent modifications of Rule 10b5-1 Plans because this could raise concern about his or her good faith in establishing the plan.
- Early Plan Terminations. Rule 10b5-1 does not expressly forbid the early termination of a Rule 10b5-1 Plan. However, the SEC has made clear that once a Rule 10b5-1 Plan is terminated, the affirmative defense may not apply to any trades that were made pursuant to that plan if such termination calls into question whether the good faith requirement was met or whether the plan was part of a plan or scheme to evade Rule 10b5-1. The real danger of terminating a plan arises if the insider promptly engages in market transactions or adopts a new plan. Such behavior could arouse suspicion that the insider is modifying trading behavior in order to benefit from nonpublic information. Accordingly, it is not advisable for insiders to terminate Rule 10b5-1 Plans except in unusual circumstances. If a plan is terminated, prompt disclosure regarding such termination must be made through a press release or Current Report on Form 8-K. Furthermore, the insider may not engage in new trades or adopt a new Rule 10b5-1 Plan within 180 days of the termination of a prior plan.

To allow insiders to terminate Rule 10b5-1 Plans and avoid problems under the federal securities laws, such plans may include the following:

- a provision expressly stating that the insider reserves the right to terminate the plan under certain specified conditions (in order to demonstrate that any termination is not inconsistent with the plan's original terms);
- a provision specifying that if the insider terminates the plan and subsequently adopts a new plan, that new plan will not take effect for a period of at least 30 days after its adoption; and/or
- a provision automatically terminating the plan at some future date, such as a year after adoption.

If an insider establishes a new Rule 10b5-1 Plan after terminating a prior plan, then all the surrounding facts and circumstances, including the period of time between the cancellation of the old plan and the creation of the new plan, are relevant to a determination of whether the insider established the new Rule 10b5-1 Plan “in good faith and not as part of a plan or scheme to evade” the prohibitions of Rule 10b5-1.

- *Transactions Outside the Plan.* Trading securities outside of a Rule 10b5-1 Plan should be considered carefully for several reasons: (1) the Rule 10b5-1 affirmative defense will not apply to trades made outside of the plan and (2) buying or selling securities outside a Rule 10b5-1 Plan could be interpreted as a hedging transaction. Hedging transactions with respect to securities bought or sold under the Rule 10b5-1 Plan will nullify the affirmative defense. Further, insiders should not sell securities that have been designated as Rule 10b5-1 Plan securities because any such sale may be deemed a modification of the plan. If the insider is subject to the volume limitations of Rule 144, the sale of securities outside the Rule 10b5-1 Plan could effectively reduce the number of common units that could be sold under the plan, which could be deemed an impermissible modification of the plan. Because trading securities outside of a Rule 10b5-1 Plan poses numerous risks, insiders are strongly discouraged from engaging in securities transactions outside Rule 10b5-1 Plans once they are established.

VI. Potential Criminal and Civil Liability and/or Disciplinary Action

A. SEC Enforcement Action

The adverse consequences of insider trading violations can be staggering and currently include, without limitation, the following:

1. For individuals who trade on Material, Non-Public Information (or tip information to others):
 - a civil penalty of up to three times the profit gained or loss avoided resulting from the violation;
 - a criminal fine of up to \$5.0 million (no matter how small the profit); and/or
 - a jail term of up to 20 years.
2. For a company (as well as possibly any supervisory person) that fails to take appropriate steps to prevent illegal trading:
 - a civil penalty of up to the greater of \$1.425 million or three times the profit gained or loss avoided as a result of the insider’s violation;
 - a criminal penalty of up to \$25.0 million; and/or

- the civil penalties may extend personal liability to the Company's directors, officers and other supervisory personnel if they fail to take appropriate steps to prevent insider trading with respect to the Partnership's common units.

B. Disciplinary Action

Persons who violate this Policy shall be subject to disciplinary action, which may include termination or other appropriate action.

VII. Administration of the Policy

Paul Scoff shall serve as the Compliance Officer for the purposes of this Policy, and in his absence, Vanda Moore or another employee designated by the Compliance Officer shall be responsible for administration of this Policy. All determinations and interpretations by the Compliance Officer shall be final and not subject to further review.

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This document states a policy of the Partnership Group and is not intended to be regarded as the rendering of legal advice.

ANNEX A
INSIDER TRADING POLICY
CERTIFICATION

I have read and understand the Insider Trading Policy (the “*Policy*”), which was adopted by the Board of Directors of Sprague Resources GP LLC (the “*Company*”), acting in its capacity as the general partner of Sprague Resources LP (the “*Partnership*” and, together with its subsidiaries and the Company, the “*Partnership Group*”). I agree that I will comply with the policies and procedures set forth in the Policy. I understand and agree that my failure to comply in all respects with the Partnership Group’s policies, including the Policy, is a basis for termination for cause of my employment.

I am aware that this signed Certification will be filed with the Legal Department.

Signature

Type or Print Name

Date