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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended December 31, 2005

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-11071

UGI CORPORATION  
(Exact name of registrant as specified in its charter)

Pennsylvania	23-2668356
(State or other jurisdiction of	(I.R.S. Employer
incorporation or organization)	Identification No.)

UGI CORPORATION  
460 North Gulph Road, King of Prussia, PA  
(Address of principal executive offices)  
19406

(Zip Code)  
(610) 337-1000  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At January 31, 2006, there were 105,075,576 shares of UGI Corporation Common Stock, without par value, outstanding.

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UGI CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(unaudited)  
(Millions of dollars)

	December 31, 2005 -----	September 30, 2005 -----	December 31, 2004 -----
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 284.6	\$ 315.0	\$ 121.7
Restricted cash	237.7	--	--
Short-term investments (at cost, which approximates fair value)	75.0	70.0	55.0
Accounts receivable (less allowances for doubtful accounts of \$31.9, \$29.2 and \$26.9, respectively)	675.7	421.8	644.4
Accrued utility revenues	59.2	10.4	38.8
Inventories	262.0	239.9	226.3
Deferred income taxes	26.3	24.4	22.0
Derivative financial instruments	16.5	60.3	0.8
Deferred fuel costs	9.4	--	--
Prepaid expenses and other current assets	21.8	30.5	33.3
	-----	-----	-----
Total current assets	1,668.2	1,172.3	1,142.3
Property, plant and equipment, at cost (less accumulated depreciation and amortization of \$1,012.9, \$986.9 and \$924.9, respectively)	1,805.7	1,802.7	1,843.0
Goodwill and excess reorganization value	1,222.1	1,231.2	1,305.3
Intangible assets (less accumulated amortization of \$48.9, \$45.4 and \$32.6, respectively)	166.4	172.6	200.6
Utility regulatory assets	61.8	61.3	65.6
Other assets	133.7	131.4	123.1
	-----	-----	-----
Total assets	\$5,057.9 =====	\$4,571.5 =====	\$4,679.9 =====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
Current liabilities:			
Current maturities of long-term debt	\$ 423.0	\$ 252.0	\$ 175.9
AmeriGas Propane bank loans	--	--	30.0
UGI Utilities bank loans	145.5	81.2	83.0
Other bank loans	16.7	16.2	19.2
Accounts payable	619.2	399.7	521.7
Deferred fuel refunds	--	17.4	3.0
Other current liabilities	380.3	396.6	380.3
	-----	-----	-----
Total current liabilities	1,584.7	1,163.1	1,213.1
Long-term debt	1,454.5	1,392.5	1,561.9
Deferred income taxes	483.5	477.5	473.6
Other noncurrent liabilities	324.4	334.5	342.5
	-----	-----	-----
Total liabilities	3,847.1	3,367.6	3,591.1
Commitments and contingencies (note 7)			
Minority interests	198.0	206.3	169.8
Common stockholders' equity:			
Common Stock, without par value (authorized - 300,000,000 shares; issued - 115,152,994 shares)	795.0	793.6	763.3
Retained earnings	306.8	266.3	208.4
Accumulated other comprehensive (loss) income	(10.8)	16.5	42.2
Notes receivable from employees	--	--	(0.2)
	-----	-----	-----
Treasury stock, at cost	1,091.0 (78.2)	1,076.4 (78.8)	1,013.7 (94.7)
	-----	-----	-----
Total common stockholders' equity	1,012.8	997.6	919.0
	-----	-----	-----
Total liabilities and stockholders' equity	\$5,057.9 =====	\$4,571.5 =====	\$4,679.9 =====

See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(unaudited)  
(Millions of dollars, except per share amounts)

	Three Months Ended December 31,	
	2005	2004
Revenues	\$ 1,577.9	\$ 1,362.4
Costs and expenses:		
Cost of sales	1,150.7	925.2
Operating and administrative expenses	235.4	247.8
Utility taxes other than income taxes	3.3	3.2
Depreciation and amortization	36.3	37.6
Other income, net	(8.0)	(26.4)
	1,417.7	1,187.4
Operating income	160.2	175.0
Loss from equity investees	(0.6)	(0.7)
Interest expense	(32.6)	(33.5)
Income before income taxes and minority interests	127.0	140.8
Income taxes	(38.5)	(42.0)
Minority interests, principally in AmeriGas Partners	(31.0)	(20.6)
Net income	\$ 57.5	\$ 78.2
Earnings per common share:		
Basic	\$ 0.55	\$ 0.76
Diluted	\$ 0.54	\$ 0.74
Average common shares outstanding (millions):		
Basic	105.157	102.748
Diluted	106.623	105.200
Dividends declared per common share	\$ 0.1688	\$ 0.1563

See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(unaudited)  
(Millions of dollars)

	Three Months Ended December 31,	
	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 57.5	\$ 78.2
Reconcile to net cash provided by operating activities:		
Depreciation and amortization	36.3	37.6
Minority interests	31.0	20.6
Deferred income taxes, net	10.8	1.5
Other, net	(6.5)	(6.3)
Net change in:		
Accounts receivable and accrued utility revenues	(312.2)	(296.3)
Inventories	(22.7)	(12.4)
Deferred fuel costs	(26.8)	(4.8)
Accounts payable	222.0	169.6
Other current assets and liabilities	(6.9)	17.1
Net cash (used) provided by operating activities	(17.5)	4.8
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditures for property, plant and equipment	(42.0)	(40.9)
Net proceeds from disposals of assets	2.2	6.1
Acquisitions of businesses, net of cash acquired	(0.6)	(24.7)
Cash restricted for redemption of Antargaz' High Yield Bonds	(239.4)	-
Other, net	(5.0)	2.5
Net cash used by investing activities	(284.8)	(57.0)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Dividends on UGI Common Stock	(17.7)	(16.0)
Distributions on AmeriGas Partners publicly held Common Units	(18.1)	(16.5)
Issuances of debt	503.1	20.5
Repayments of debt	(259.8)	(2.3)
AmeriGas Propane bank loans increase	-	30.0
Increase in UGI Utilities bank loans with maturities of three months or less	64.3	22.1
Other bank loans increase	0.6	-
Redemption of UGI Utilities preferred shares subject to mandatory redemption	-	(20.0)
Issuance of UGI Common Stock	1.5	3.1
Net cash provided by financing activities	273.9	20.9
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(2.0)	3.4
Cash and cash equivalents decrease	\$ (30.4)	\$ (27.9)
Cash and cash equivalents:		
End of period	\$ 284.6	\$ 121.7
Beginning of period	315.0	149.6
Decrease	\$ (30.4)	\$ (27.9)

See accompanying notes to condensed consolidated financial statements.

UGI CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

(Millions of dollars and euros, except per share amounts)

1. BASIS OF PRESENTATION

UGI Corporation ("UGI") is a holding company that owns and operates natural gas and electric utility, electricity generation, retail propane distribution, energy marketing and related businesses in the United States. Through foreign subsidiaries and a joint-venture affiliate, UGI also distributes liquefied petroleum gases ("LPG") in France, Austria, the Czech Republic, Slovakia and China.

We conduct a national propane distribution business through AmeriGas Partners, L.P. ("AmeriGas Partners") and its principal operating subsidiaries AmeriGas Propane, L.P. ("AmeriGas OLP") and AmeriGas OLP's subsidiary, AmeriGas Eagle Propane, L.P. ("Eagle OLP"). AmeriGas Partners, AmeriGas OLP and Eagle OLP are Delaware limited partnerships. UGI's wholly owned second-tier subsidiary AmeriGas Propane, Inc. (the "General Partner") serves as the general partner of AmeriGas Partners and AmeriGas OLP. AmeriGas OLP and Eagle OLP (collectively referred to as the "Operating Partnerships") comprise the largest retail propane distribution business in the United States serving residential, commercial, industrial, motor fuel and agricultural customers from locations in 46 states. We refer to AmeriGas Partners and its subsidiaries together as the "Partnership" and the General Partner and its subsidiaries, including the Partnership, as "AmeriGas Propane." At December 31, 2005, the General Partner and its wholly owned subsidiary Petrolane Incorporated ("Petrolane") collectively held a 1% general partner interest and a 42.7% limited partner interest in AmeriGas Partners, and effective 44.3% ownership interests in AmeriGas OLP and Eagle OLP. Our limited partnership interest in AmeriGas Partners comprises 24,525,004 Common Units. The remaining 56.3% interest in AmeriGas Partners comprises 32,272,101 publicly held Common Units representing limited partner interests.

Our wholly owned subsidiary, UGI Enterprises, Inc. ("Enterprises") (1) owns and operates LPG distribution businesses in France ("Antargaz"); (2) owns and operates LPG distribution businesses in Austria, the Czech Republic and Slovakia ("FLAGA"); and (3) participates in a propane joint-venture business in China. We refer to our foreign operations collectively as "International Propane."

Our natural gas and electric distribution utility businesses are conducted through our wholly owned subsidiary, UGI Utilities, Inc. ("UGI Utilities"). UGI Utilities owns and operates a natural gas distribution utility ("Gas Utility") in parts of eastern and southeastern Pennsylvania and an electricity distribution utility ("Electric Utility") in northeastern Pennsylvania. Gas Utility and Electric Utility are subject to regulation by the Pennsylvania Public Utility Commission ("PUC").

In addition, Enterprises conducts an energy marketing business primarily in the Eastern region of the United States through its wholly owned subsidiary, UGI Energy Services, Inc. ("Energy Services"). Energy Services' wholly owned subsidiary UGI Development Company ("UGID"), and UGID's subsidiaries and joint-venture affiliate Hunlock Creek Energy Ventures, own and operate interests in Pennsylvania-based electricity generation assets. In addition, Energy Services' wholly owned subsidiary UGI Asset Management, Inc., through its subsidiary Atlantic Energy, Inc. (collectively, "Asset Management"), owns a propane storage terminal located in Chesapeake, Virginia. Through other subsidiaries, Enterprises owns and operates a heating, ventilation, air-

UGI CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited)

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conditioning, refrigeration and electrical contracting services business in the Middle Atlantic states ("HVAC/R").

Our condensed consolidated financial statements include the accounts of UGI and its controlled subsidiary companies, which, except for the Partnership, are majority owned, and are together referred to as "we" or the "Company." We eliminate all significant intercompany accounts and transactions when we consolidate. We report the public's limited partner interests in the Partnership and the outside ownership interest in a subsidiary of Antargaz as minority interests. Entities in which we own 50 percent or less and in which we exercise significant influence over operating and financial policies are accounted for by the equity method.

The accompanying condensed consolidated financial statements are unaudited and have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). They include all adjustments which we consider necessary for a fair statement of the results for the interim periods presented. Such adjustments consisted only of normal recurring items unless otherwise disclosed. The September 30, 2005 condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. These financial statements should be read in conjunction with the financial statements and related notes included in our Annual Report on Form 10-K for the year ended September 30, 2005 ("Company's 2005 Annual Report"). Due to the seasonal nature of our businesses, the results of operations for interim periods are not necessarily indicative of the results to be expected for a full year.

**EARNINGS PER COMMON SHARE.** On April 26, 2005, UGI's Board of Directors approved a 2-for-1 common stock split. On May 24, 2005 the Company issued one additional common share for every common share outstanding to shareholders of record on May 17, 2005. Prior-year amounts have been retroactively restated to reflect the effects of the common stock split.

Basic earnings per share reflect the weighted-average number of common shares outstanding. Diluted earnings per share include the effects of dilutive stock options and common stock awards. Shares used in computing basic and diluted earnings per share are as follows:

	Three Months Ended December 31,	
	2005	2004
Denominator (millions of shares):		
Average common shares		
outstanding for basic computation	105.157	102.748
Incremental shares issuable for stock		
options and awards	1.466	2.452
Average common shares outstanding for		
diluted computation	106.623	105.200

**STOCK-BASED COMPENSATION.** Under UGI's 2004 Omnibus Equity Compensation Plan ("OECF"), we may grant options to acquire shares of Common Stock, or issue stock-based awards ("Units") to key employees and non-employee directors.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited)

(Millions of dollars and euros, except per share amounts)

The exercise price for options may not be less than the fair market value on the grant date. Grants of stock options may vest immediately or ratably over a period of years (generally three to four year periods) and generally can be exercised no later than ten years from the grant date. There are certain change of control and retirement eligibility conditions that, if met, generally result in an acceleration of vesting.

Units may vest immediately or ratably over a period of years (generally three to four year periods). Units granted typically provide for the crediting of Common Stock dividend equivalents to participants' accounts. Dividend equivalents on employee awards will be paid in cash. It is the Company's practice to issue treasury shares to satisfy option exercises and Unit awards. The Company does not expect to repurchase shares for such purposes during the year ending September 30, 2006. Dividend equivalents on non-employee director Unit awards are paid in additional Common Stock Units. Stock-based awards may be settled, at the option of the Company, in shares of Common Stock, cash, or a combination of Common Stock and cash. The actual number of shares (or their cash equivalent) ultimately issued, and the actual amount of dividend equivalents paid, is generally dependent upon the achievement of market performance goals and service conditions.

Under the OECP, awards representing up to 7,000,000 shares of Common Stock may be granted. The maximum number of shares that may be issued pursuant to grants other than stock options or dividend equivalents is 1,600,000 shares. We did not grant any options or Unit awards during the three months ended December 31, 2005 or 2004.

Effective October 1, 2005, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 123 (revised 2004), "Share-Based Payment" ("SFAS 123R"). Prior to October 1, 2005, as permitted, we applied the provisions of Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"), in recording compensation expense for grants of stock, stock options and other equity instruments to employees. Under APB 25, the Company did not record any compensation expense for stock options, but provided the required pro forma disclosures as if we had determined compensation expense under the fair value method prescribed by the provisions of SFAS No. 123. Under SFAS 123R, all equity-based compensation cost is measured on the grant date or at the end of each period based on the fair value of that award and is recognized in the income statement over the requisite service period.

As permitted by the standard, under the modified prospective approach, effective October 1, 2005, we began recording compensation expense for awards that were not vested as of the that date. We used the Black-Scholes option-pricing model to estimate the fair value of each option prior to adoption of SFAS 123R and we continue to use this model. The adoption of SFAS 123R resulted in pre-tax stock option expense of \$0.3 million during the three months ended December 31, 2005 which did not impact our reported basic and diluted earnings per share.

Both prior to and after the adoption of SFAS 123R, we measured and recorded compensation cost of Units awarded that can be settled in cash or at our option in cash or shares of Common Stock, or a combination of both, based upon their fair value as of the end of each period.



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(unaudited)

(Millions of dollars and euros, except per share amounts)

The fair value of Units is generally dependent upon the Company's stock price and its performance in comparison to a group of peer companies. The fair value of these awards is expensed over requisite service periods. Certain employees of the General Partner have been granted the right to receive AmeriGas Partners Common Units. A total of 700,000 AmeriGas Partners Common Unit awards may be granted under the General Partner's plans. 500,000 of these awards have terms similar to UGI Unit awards and compensation expense is estimated and recorded in the same manner; 200,000 have service requirements only.

We recorded total net pre-tax equity-based compensation (benefit) expense of (\$4.7) million and \$4.5 million, during the three months ended December 31, 2005 and 2004, respectively. The period ended December 31, 2005 reflects a net compensation benefit due predominately to changes in stock prices.

The following table illustrates the effects on net income and basic and diluted earnings per share as if we had applied the provisions of SFAS 123R to all stock-based compensation awards for the period prior to the adoption of SFAS 123R.

-----	
For the Three Months Ended December 31, 2004	
-----	
Net income, as reported	\$ 78.2
Add: Stock and unit-based employee compensation expense included in reported net income, net of related tax effects	2.7
Deduct: Total stock and unit-based employee compensation expense determined under the fair value method for all awards, net of related tax effects	(3.0)
-----	
Pro forma net income	\$ 77.9
-----	
Basic earnings per share:	
As reported	\$ 0.76
Pro forma	\$ 0.76
Diluted earnings per share:	
As reported	\$ 0.74
Pro forma	\$ 0.74
-----	

The total net after-tax compensation benefit recorded during the three months ended December 31, 2005 was \$3.2 million which reflects option, UGI Unit and AmeriGas Partners Common Unit awards.

UGI CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited)  
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The following table provides stock option activity information:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Term (years)	Intrinsic Value
Shares under option - September 30, 2005	4,953,018	\$ 15.95		
Exercised	(13,100)	\$ 10.51		\$0.2 million
Forfeited	(23,000)	\$ 17.54		
Shares under option - December 31, 2005	4,916,918	\$ 15.95	7.7	\$22.8 million
Options exercisable - December 31, 2005	2,080,720	\$ 12.39	5.8	\$17.1 million
Unvested options - December 31, 2005	2,836,198	\$ 18.57	8.3	\$5.8 million

Cash received from the exercises of stock options and any associated tax benefits were not material during the three months ended December 31, 2005.

The assumptions used to estimate the fair value of stock options were as follows:

Expected life of option	6 years
Expected volatility	17.7% to 21.6%
Expected dividend yield	4.1% to 6.1%
Risk free interest rate	3.1% to 4.0%

The expected term of option awards represents the period of time which option grants are expected to be outstanding and is derived from historical exercise patterns. Expected volatility is based on the historical volatility of the price of UGI's Common Stock. Expected dividend yield is based on the historical UGI dividend rates. The risk free interest rate is based upon U.S. Treasury bonds with comparable terms to the options in effect on the date of grant. As of December 31, 2005, there was \$2.3 million of unrecognized compensation cost related to non-vested stock options that is expected to be recognized over a weighted average period of 2.2 years.

Also, as of December 31, 2005, there was a total of approximately \$5.8 million of unrecognized compensation cost associated with 670,934 UGI Unit awards that are expected to be recognized over a weighted average period of 1.8 years. There was a total of \$0.6 million of unrecognized compensation expense associated with 89,967 of AmeriGas Partners Common Unit awards that are expected to be recognized over a weighted average period of 1.7 years. AmeriGas Partners Common Unit awards granted during the three months ended December 31, 2005 and 2004 and any associated expense was not material to the Company's financial position, results of operations or cash flows. At December 31, 2005, total liabilities of \$14.4 million associated with both UGI's and the General Partner's plans are reflected in other current liabilities and other noncurrent liabilities in the Condensed Consolidated Balance Sheet.

UGI CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited)

(Millions of dollars and euros, except per share amounts)

The following table illustrates Unit and AmeriGas Partners Common Unit award activity:

	Number of UGI Units	Average Fair Value (per Unit)
Non-vested awards - September 30, 2005	322,550	\$ 30.01
Vested	(20,250)	
Non-vested awards - December 31, 2005	302,300	\$ 22.34
	Number of AmeriGas Partners Common Units	Average Fair Value (per Unit)
Non-vested awards - September 30, 2005 (a)	112,967	\$ 37.31
Non-vested awards - December 31, 2005 (a)	86,967	\$ 32.65

(a) The decrease in non-vested AmeriGas Partners Common Unit awards from September 30, 2005 compared to December 31, 2005 is primarily a result of market performance conditions not being met.

COMPREHENSIVE INCOME. The following table presents the components of comprehensive income (loss) for the three months ended December 31, 2005 and 2004.

	Three Months Ended December 31,	
	2005	2004
Net income	\$ 57.5	\$ 78.2
Other comprehensive (loss) income	(27.3)	19.6
Comprehensive income	\$ 30.2	\$ 97.8

Other comprehensive (loss) income principally comprises (1) changes in the fair value of derivative commodity instruments, interest rate protection agreements and foreign currency derivatives qualifying as hedges and (2) foreign currency translation adjustments, net of reclassifications to net income.

RECLASSIFICATIONS. We have reclassified certain prior-year period balances to conform to the current-period presentation.

USE OF ESTIMATES. We make estimates and assumptions when preparing financial statements in conformity with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets and liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

SEGMENT INFORMATION

We have organized our business units into six reportable segments generally based upon products sold, geographic location (domestic or international) or regulatory environment. Our reportable segments are: (1) AmeriGas Propane; (2) an international LPG segment comprising Antargaz; (3) an international LPG segment comprising FLAGA and our international LPG equity investment in China ("Other"); (4) Gas Utility; (5) Electric Utility; and (6) Energy Services (comprising Energy

UGI CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

(Millions of dollars and euros, except per share amounts)

Services' gas marketing business, UGID's electricity generation business and Asset Management's propane terminal business). We refer to both international segments collectively as "International Propane."

The accounting policies of the six segments disclosed are the same as those described in the Organization and Significant Accounting Policies note contained in the Company's 2005 Annual Report. We evaluate AmeriGas Propane's performance principally based upon the Partnership's earnings before interest expense, income taxes, depreciation and amortization ("Partnership EBITDA"). Although we use Partnership EBITDA to evaluate AmeriGas Propane's profitability, it should not be considered as an alternative to net income (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations) and is not a measure of performance or financial condition under accounting principles generally accepted in the United States of America. The Company's definition of Partnership EBITDA may be different from that used by other companies. We evaluate the performance of our International Propane, Gas Utility, Electric Utility and Energy Services segments principally based upon their income before income taxes.

UGI CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
(unaudited)  
(Millions of dollars, except per share amounts)

2. SEGMENT INFORMATION (CONTINUED)

Three Months Ended December 31, 2005:

	Reportable Segments								
	Total	Elims.	AmeriGas Propane	Gas Utility	Electric Utility	Energy Services	International Programs		Corporate & Other (b)
	-----	-----	-----	-----	-----	-----	Antargaz	Other (a)	-----
Revenues	\$1,577.9 =====	\$ (34.1) =====	\$ 630.2 =====	\$ 219.8 =====	\$ 23.9 =====	\$ 451.4 =====	\$ 248.8 =====	\$ 18.8 =====	\$ 19.1 =====
Cost of sales	\$1,150.7 =====	\$ (33.1) =====	\$ 407.8 =====	\$ 159.9 =====	\$ 11.3 =====	\$ 433.7 =====	\$ 146.4 =====	\$ 12.7 =====	\$ 12.0 =====
Segment profit:									
Operating income	\$ 160.2	\$ --	\$ 74.7	\$ 35.7	\$ 6.5	\$ 8.2	\$ 33.2	\$ 0.4	\$ 1.5
Loss from equity investees	(0.6)	--	--	--	--	--	(0.6)	--	--
Interest expense	(32.6)	--	(18.9)	(5.1)	(0.5)	--	(7.6)	(0.5)	--
Minority interests	(31.0)	(0.1)	(31.0)	--	--	--	0.1	--	--
Income before income taxes	\$ 96.0 =====	\$ (0.1) =====	\$ 24.8 =====	\$ 30.6 =====	\$ 6.0 =====	\$ 8.2 =====	\$ 25.1 =====	\$ (0.1) =====	\$ 1.5 =====
Depreciation and amortization	\$ 36.3	\$ --	\$ 18.3	\$ 5.4	\$ 0.8	\$ 1.5	\$ 9.0	\$ 1.2	\$ 0.1
Partnership EBITDA (d)			\$ 92.2						
Segment assets (at period end)	\$5,057.9 =====	\$(335.9) =====	\$1,720.0 =====	\$ 896.8 =====	\$ 104.2 =====	\$ 307.8 =====	\$1,713.5 =====	\$ 154.1 =====	\$ 497.4 =====
Investments in equity investees (at period end)	\$ 12.3 =====	\$ -- =====	\$ -- =====	\$ -- =====	\$ -- =====	\$ 8.6 =====	\$ 1.0 =====	\$ 2.7 =====	\$ -- =====
Goodwill and excess reorganization value (at period end)	\$1,222.1 =====	\$ (4.0) =====	\$ 618.2 =====	\$ -- =====	\$ -- =====	\$ 11.8 =====	\$ 523.4 =====	\$ 66.3 =====	\$ 6.4 =====

Three Months Ended December 31, 2004:

	Reportable Segments								
	Total	Elims.	AmeriGas Propane	Gas Utility	Electric Utility	Energy Services	International Programs		Corporate & Other (b)
	-----	-----	-----	-----	-----	-----	Antargaz	Other (a)	-----
Revenues	\$ 1,362.4 =====	\$ -- =====	\$ 556.2 =====	\$ 161.2 =====	\$ 22.3 =====	\$ 329.0 =====	\$ 258.0 =====	\$ 20.2 =====	\$ 15.5 =====
Cost of sales	\$ 925.2 =====	\$ -- =====	\$ 351.1 =====	\$ 106.6 =====	\$ 11.0 =====	\$ 313.2 =====	\$ 121.9 =====	\$ 12.0 =====	\$ 9.4 =====
Segment profit:									
Operating income (c)	\$ 175.0	\$ --	\$ 58.6	\$ 28.1	\$ 4.7	\$ 6.1	\$ 75.8	\$ 1.6	\$ 0.1
Loss from equity investees	(0.7)	--	--	--	--	--	(0.6)	(0.1)	--
Interest expense	(33.5)	--	(20.5)	(4.1)	(0.5)	--	(7.6)	(0.9)	0.1
Minority interests	(20.6)	3.9	(24.2)	--	--	--	(0.3)	--	--
Income before income taxes (c)	\$ 120.2 =====	\$ 3.9 =====	\$ 13.9 =====	\$ 24.0 =====	\$ 4.2 =====	\$ 6.1 =====	\$ 67.3 =====	\$ 0.6 =====	\$ 0.2 =====
Depreciation and amortization	\$ 37.6	\$ --	\$ 19.3	\$ 5.1	\$ 0.7	\$ 1.3	\$ 9.6	\$ 1.3	\$ 0.3
Partnership EBITDA (d)			\$ 86.4						
Segment assets (at period end)	\$ 4,679.9 =====	\$(334.6) =====	\$1,639.9 =====	\$ 809.6 =====	\$ 91.0 =====	\$ 298.3 =====	\$ 1,561.3 =====	\$ 172.8 =====	\$ 441.6 =====
Investments in equity investees (at period end)	\$ 15.1 =====	\$ -- =====	\$ -- =====	\$ -- =====	\$ -- =====	\$ 8.5 =====	\$ 3.8 =====	\$ 2.8 =====	\$ -- =====
Goodwill and excess reorganization value (at period end)	\$ 1,305.3 =====	\$ -- =====	\$ 616.8 =====	\$ -- =====	\$ -- =====	\$ 5.0 =====	\$ 603.6 =====	\$ 74.4 =====	\$ 5.5 =====

(a) International Propane-Other principally comprises FLAGA and our joint-venture business in China.

(b) Corporate & Other's results principally comprise UGI Enterprises' HVAC/R operations, net expenses of UGI's captive general liability insurance company and UGI Corporation's unallocated corporate and general expenses, and interest income. Corporate & Other assets principally comprise cash, short-term investments and an intercompany loan. The intercompany interest associated with the intercompany loan is removed in the segment presentation.

(c) International Propane-Antargaz' results for the three months ended December 31, 2004 include \$19.9 of operating income and income before income taxes due to the resolution of certain non-income tax contingencies as of December 31, 2004 (see Note 7).

(d) The following table provides a reconciliation of Partnership EBITDA to AmeriGas Propane operating income:

Three months ended December 31, -----	2005 -----	2004 -----
Partnership EBITDA (i)	\$ 92.2	\$ 86.4
Depreciation and amortization (ii)	(18.2)	(19.3)
Minority interests (iii)	0.7	0.6
Gain on sale of Atlantic Energy	--	(9.1)
	-----	-----
Operating income	\$ 74.7	\$ 58.6
	=====	=====

(i) Includes a \$9.1 gain on the sale of Atlantic Energy to Energy Services during the three months ended December 31, 2004.

(ii) Excludes General Partner depreciation and amortization of \$0.1 in the three months ended December 31, 2005.

(iii) Principally represents the General Partner's 1.01% interest in AmeriGas OLP.

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2. LONG-TERM DEBT

In December 2005, UGI Utilities refinanced \$50 million of its maturing 7.14% Medium-Term Notes with proceeds from the issuance of \$50 million of 5.64% Medium-Term Notes due in December 2015. These Medium-Term Notes were issued pursuant to the UGI Utilities' \$125 million shelf registration statement with the SEC.

On December 7, 2005, Antargaz executed a new five-year, floating rate Senior Facilities Agreement with a major French bank providing for a E380 million term loan and a E50 million revolving credit facility. The proceeds of the term loan were used in December 2005 to repay immediately the existing E175 million Senior Facilities term loan and for general corporate purposes. As of December 31, 2005, AGZ Finance had notified the holders of its High Yield Bonds of its decision to redeem them, including a premium, pursuant to the Trust Deed. Approximately E200 million of the proceeds from the new Senior Facilities Agreement were used to fund the redemption of the High Yield Bonds in January 2006. This amount is reflected in restricted cash on the Condensed Consolidated Balance Sheet at December 31, 2005. In addition, Antargaz executed an interest rate swap agreement with the same bank to fix the rate of interest on the term loan for the duration of the loan at a rate of approximately 4%.

In January 2006, the Partnership and AP Eagle Finance Corp. issued \$350 million of 7.125% Senior Notes due 2016. The proceeds of this registered public debt offering were used to refinance \$59.5 million of the Partnership's \$60 million 10% Senior Notes due 2006 pursuant to a tender offer, plus a premium, and AmeriGas OLP's \$35 million term loan due October 1, 2006. On January 27, 2006, AmeriGas OLP notified the holders of its \$160 million Series A and \$68.8 million Series C First Mortgage Notes of its intention to redeem the notes, including a make-whole premium, on February 16, 2006. UGI expects to incur an after-tax loss on extinguishment of debt associated with these refinancings of approximately \$4 to \$4.5 million during the three months ending March 31, 2006.

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4. INTANGIBLE ASSETS

The Company's intangible assets comprise the following:

	December 31, 2005	September 30, 2005
Not subject to amortization:		
Goodwill	\$ 1,128.8	\$ 1,137.9
Excess reorganization value	93.3	93.3
	\$ 1,222.1	\$ 1,231.2
Other intangible assets:		
Customer relationships, noncompete agreements and other	\$ 175.1	\$ 177.2
Trademark (not subject to amortization)	40.2	40.8
Gross carrying amount	215.3	218.0
Accumulated amortization	(48.9)	(45.4)
Net carrying amount	\$ 166.4	\$ 172.6

Changes in intangible assets during the three months ended December 31, 2005 principally reflect the effects of foreign currency translation. Amortization expense of intangible assets was \$4.0 million and \$4.4 million for the three months ended December 31, 2005 and 2004, respectively. Our expected aggregate amortization expense of intangible assets for the next five fiscal years is as follows: Fiscal 2006 - \$15.8 million; Fiscal 2007 - \$15.2 million; Fiscal 2008 - \$14.8 million; Fiscal 2009 - \$14.1 million; Fiscal 2010 - \$12.8 million.

5. ENERGY SERVICES ACCOUNTS RECEIVABLE SECURITIZATION FACILITY

Energy Services has a \$150 million receivables purchase facility ("Receivables Facility") with an issuer of receivables-backed commercial paper expiring in August 2007. In order to provide additional short-term liquidity during the peak heating season due to increased product costs, the maximum level of funding available at any one point in time from this facility was temporarily increased to \$300 million for the period from November 1, 2005 to April 24, 2006. After April 24, 2006, the maximum level of funding available at any one time from this facility is \$150 million. Under the Receivables Facility, Energy Services transfers, on an ongoing basis and without recourse, its trade accounts receivable to its wholly owned, special purpose subsidiary, Energy Services Funding Corporation ("ESFC"), which is consolidated for financial statement purposes. ESFC, in turn, has sold, and subject to certain conditions, may from time to time sell, an undivided interest in some or all of the receivables to a commercial paper conduit of a major bank. The proceeds of these sales are less than the face amount of the accounts receivable sold by an amount that approximates the purchaser's financing cost of issuing its own receivables-backed commercial paper. ESFC was created and has been structured to isolate its assets from creditors of Energy Services and its affiliates, including UGI. This two-step transaction is accounted for as a sale of receivables following the provisions of SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." Energy Services continues to service, administer and collect trade receivables on behalf of the commercial paper issuer and ESFC.



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During the three months ended December 31, 2005, Energy Services sold trade receivables totaling \$393.9 million to ESFC. During the three months ended December 31, 2005, ESFC sold an aggregate \$242.5 million of undivided interests in its trade receivables to the commercial paper conduit. At December 31, 2005, the outstanding balance of ESFC trade receivables was \$64.5 million, which is net of \$95 million that was sold to the commercial paper conduit and removed from the balance sheet.

In addition, a major bank has committed to issue up to \$50 million of standby letters of credit, secured by cash or marketable securities ("LC Facility"). At December 31, 2005, there were no letters of credit outstanding. Energy Services expects to fund the collateral requirements with borrowings under its Receivables Facility. The LC Facility, which we intend to renew, expires in April 2006.

## 6. DEFINED BENEFIT PENSION AND OTHER POSTRETIREMENT PLANS

We sponsor a defined benefit pension plan ("UGI Utilities Pension Plan") for employees of UGI, UGI Utilities, and certain of UGI's other wholly owned subsidiaries. In addition, we provide postretirement health care benefits to certain retirees and postretirement life insurance benefits to nearly all domestic active and retired employees. Antargaz provides certain pension and postretirement health care benefits for its employees.

Net periodic pension expense and other postretirement benefit costs include the following components:

	Pension Benefits		Other Postretirement Benefits	
	Three Months Ended December 31,		Three Months Ended December 31,	
	2005	2004	2005	2004
Service cost	\$ 1.5	\$ 1.4	\$ 0.1	\$ 0.1
Interest cost	3.5	3.5	0.3	0.5
Expected return on assets	(4.7)	(4.5)	(0.2)	(0.1)
Amortization of:				
Transition obligation	--	--	0.1	0.2
Prior service cost (benefit)	0.2	0.2	(0.1)	--
Actuarial loss	0.4	0.4	0.1	0.1
Net benefit cost	0.9	1.0	0.3	0.8
Change in regulatory assets and liabilities	--	--	0.7	0.3
Net expense	\$ 0.9	\$ 1.0	\$ 1.0	\$ 1.1

UGI Utilities Pension Plan assets are held in trust and consist principally of equity and fixed income mutual funds. The Company does not believe it will be required to make any contributions to the UGI Utilities Pension Plan during the year ending September 30, 2006 for ERISA funding purposes. Pursuant to orders previously issued by the PUC, UGI Utilities has established a Voluntary Employees' Beneficiary Association ("VEBA") trust to fund and pay UGI Utilities' postretirement health care and life insurance benefits referred to above by depositing into the VEBA the annual amount of postretirement benefit costs determined under SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." The difference

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between the annual amount calculated and the amount included in UGI Utilities' rates is deferred for future recovery from, or refund to, ratepayers. Amounts contributed to the VEBA by UGI Utilities were not material during the three months ended December 31, 2005, nor are they expected to be material for the year ending September 30, 2006.

We also sponsor unfunded and non-qualified supplemental executive retirement income plans. We recorded pre-tax expense for these plans of \$0.5 million and \$0.4 million for the three months ended December 31, 2005 and 2004, respectively.

## 7. COMMITMENTS AND CONTINGENCIES

The Partnership has succeeded to certain lease guarantee obligations of Petrolane relating to Petrolane's divestiture of non-propane operations before its 1989 acquisition by QFB Partners. Future lease payments under these leases total approximately \$9 million at December 31, 2005. The leases expire through 2010 and some of them are currently in default. The Partnership has succeeded to the indemnity agreement of Petrolane by which Texas Eastern Corporation ("Texas Eastern"), a prior owner of Petrolane, agreed to indemnify Petrolane against any liabilities arising out of the conduct of businesses that do not relate to, and are not a part of, the propane business, including lease guarantees. In December 1999, Texas Eastern filed for dissolution under the Delaware General Corporation Law. PanEnergy Corporation ("PanEnergy"), Texas Eastern's sole stockholder, assumed all of Texas Eastern's liabilities as of December 20, 2002, to the extent of the value of Texas Eastern's assets transferred to PanEnergy as of that date (which was estimated to exceed \$94 million), and to the extent that such liabilities arise within ten years from Texas Eastern's date of dissolution. Notwithstanding the dissolution proceeding, and based on Texas Eastern previously having satisfied directly defaulted lease obligations without the Partnership's having to honor its guarantee, we believe that the probability that the Partnership will be required to directly satisfy the lease obligations subject to the indemnification agreement is remote.

On August 21, 2001, AmeriGas Partners, through AmeriGas OLP, acquired the propane distribution businesses of Columbia Energy Group (the "2001 Acquisition") pursuant to the terms of a purchase agreement (the "2001 Acquisition Agreement") by and among Columbia Energy Group ("CEG"), Columbia Propane Corporation ("Columbia Propane"), Columbia Propane, L.P. ("CPLP"), CP Holdings, Inc. ("CPH," and together with Columbia Propane and CPLP, the "Company Parties"), AmeriGas Partners, AmeriGas OLP and the General Partner (together with AmeriGas Partners and AmeriGas OLP, the "Buyer Parties"). As a result of the 2001 Acquisition, AmeriGas OLP acquired all of the stock of Columbia Propane and CPH and substantially all of the partnership interests of CPLP. Under the terms of an earlier acquisition agreement (the "1999 Acquisition Agreement"), the Company Parties agreed to indemnify the former general partners of National Propane Partners, L.P. (a predecessor company of the Columbia Propane businesses) and an affiliate (collectively, "National General Partners") against certain income tax and other losses that they may sustain as a result of the 1999 acquisition by CPLP of National Propane Partners, L.P. (the "1999 Acquisition") or the operation of the business after the 1999 Acquisition ("National Claims"). At December 31, 2005, the potential amount payable under this indemnity by the Company Parties was approximately \$58 million. These indemnity obligations will expire on the date that CPH acquires the remaining outstanding partnership interest of CPLP, which is expected to occur on or after July 19, 2009. Under the terms of the 2001 Acquisition Agreement,

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CEG agreed to indemnify the Buyer Parties and the Company Parties against any losses that they sustain under the 1999 Acquisition Agreement and related agreements ("Losses"), including National Claims, to the extent such claims are based on acts or omissions of CEG or the Company Parties prior to the 2001 Acquisition. The Buyer Parties agreed to indemnify CEG against Losses, including National Claims, to the extent such claims are based on acts or omissions of the Buyer Parties or the Company Parties after the 2001 Acquisition. CEG and the Buyer Parties have agreed to apportion certain losses resulting from National Claims to the extent such losses result from the 2001 Acquisition itself.

Samuel and Brenda Swiger and their son (the "Swigers") sustained personal injuries and property damage as a result of a fire that occurred when propane that leaked from an underground line ignited. In July 1998, the Swigers filed a class action lawsuit against AmeriGas Propane, L.P. (named incorrectly as "UGI/AmeriGas, Inc."), in the Circuit Court of Monongalia County, West Virginia, in which they sought to recover an unspecified amount of compensatory and punitive damages and attorney's fees, for themselves and on behalf of persons in West Virginia for whom the defendants had installed propane gas lines, allegedly resulting from the defendants' failure to install underground propane lines at depths required by applicable safety standards. In 2003, AmeriGas OLP settled the individual personal injury and property damage claims of the Swigers. In 2004, the court granted the plaintiffs' motion to include customers acquired from Columbia Propane in August 2001 as additional potential class members and the plaintiffs amended their complaint to name additional parties pursuant to such ruling. Subsequently, in March 2005, AmeriGas OLP filed a crossclaim against CEG, former owner of Columbia Propane, seeking indemnification for conduct undertaken by Columbia Propane prior to AmeriGas OLP's acquisition. Class counsel has indicated that the class is seeking compensatory damages in excess of \$12 million plus punitive damages, civil penalties and attorneys' fees. We believe we have good defenses to the claims of the class members and intend to vigorously defend against the remaining claims in this lawsuit.

From the late 1800s through the mid-1900s, UGI Utilities and its former subsidiaries owned and operated a number of manufactured gas plants ("MGPs") prior to the general availability of natural gas. Some constituents of coal tars and other residues of the manufactured gas process are today considered hazardous substances under the Superfund Law and may be present on the sites of former MGPs. Between 1882 and 1953, UGI Utilities owned the stock of subsidiary gas companies in Pennsylvania and elsewhere and also operated the businesses of some gas companies under agreement. Pursuant to the requirements of the Public Utility Holding Company Act of 1935, UGI Utilities divested all of its utility operations other than those which now constitute Gas Utility and Electric Utility.

UGI Utilities does not expect its costs for investigation and remediation of hazardous substances at Pennsylvania MGP sites to be material to its results of operations because Gas Utility is currently permitted to include in rates, through future base rate proceedings, prudently incurred remediation costs associated with such sites. UGI Utilities has been notified of several sites outside Pennsylvania on which private parties allege MGPs were formerly owned or operated by it or owned or operated by its former subsidiaries. Such parties are investigating the extent of environmental contamination or performing environmental remediation. UGI Utilities is currently litigating three claims against it relating to out-of-state sites. We accrue environmental

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investigation and cleanup costs when it is probable that a liability exists and the amount or range of amounts can be reasonably estimated.

Management believes that under applicable law UGI Utilities should not be liable in those instances in which a former subsidiary owned or operated an MGP. There could be, however, significant future costs of an uncertain amount associated with environmental damage caused by MGPs outside Pennsylvania that UGI Utilities directly operated, or that were owned or operated by former subsidiaries of UGI Utilities, if a court were to conclude that (1) the subsidiary's separate corporate form should be disregarded or (2) UGI Utilities should be considered to have been an operator because of its conduct with respect to its subsidiary's MGP.

In April 2003, Citizens Communications Company ("Citizens") served a complaint naming UGI Utilities as a third-party defendant in a civil action pending in United States District Court for the District of Maine. In that action, the plaintiff, City of Bangor, Maine ("City"), sued Citizens to recover environmental response costs associated with MGP wastes generated at a plant allegedly operated by Citizens' predecessors at a site on the Penobscot River. Citizens subsequently joined UGI Utilities and ten other third-party defendants alleging that the third-party defendants are responsible for an equitable share of costs Citizens may be required to pay to the City for cleaning up tar deposits in the Penobscot River. Citizens alleges that UGI Utilities and its predecessors owned and operated the plant from 1901 to 1928. Studies conducted by the City and Citizens suggest that it could cost up to \$18 million to clean up the river. Citizens' third-party claims have been stayed pending a resolution of the City's suit against Citizens, which was tried in September 2005 and has not yet been decided. UGI Utilities believes that it has good defenses to the claim and is defending the suit.

By letter dated July 29, 2003, Atlanta Gas Light Company ("AGL") served UGI Utilities with a complaint filed in the United States District Court for the Middle District of Florida in which AGL alleges that UGI Utilities is responsible for 20% of approximately \$8 million incurred by AGL in the investigation and remediation of a former MGP site in St. Augustine, Florida. UGI Utilities formerly owned stock of the St. Augustine Gas Company, the owner and operator of the MGP. In March 2005, the court granted UGI Utilities motion for summary judgment dismissing AGL's complaint. AGL has appealed.

AGL previously informed UGI Utilities that it has begun remediation of MGP wastes at a site owned by AGL in Savannah, Georgia. A former subsidiary of UGI Utilities operated the MGP in the early 1900s. AGL believes that the total cost of remediation could be as high as \$55 million. AGL has not filed suit against UGI Utilities for a share of these costs. UGI Utilities believes that it will have good defenses to any action that may arise out of this site.

On September 20, 2001, Consolidated Edison Company of New York ("ConEd") filed suit against UGI Utilities in the United States District Court for the Southern District of New York, seeking contribution from UGI Utilities for an allocated share of response costs associated with investigating and assessing gas plant related contamination at former MGP sites in Westchester County, New York. The complaint alleges that UGI Utilities "owned and operated" the MGPs prior to 1904. The complaint also seeks a declaration that UGI Utilities is responsible for an

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allocated percentage of future investigative and remedial costs at the sites. ConEd believes that the cost of remediation for all of the sites could exceed \$70 million.

The trial court granted UGI Utilities' motion for summary judgment and dismissed ConEd's complaint. The grant of summary judgment was entered April 1, 2004. ConEd appealed and on September 9, 2005 a panel of the Second Circuit Court of Appeals affirmed in part and reversed in part the decision of the trial court. The appellate panel affirmed the trial court's decision dismissing claims that UGI Utilities was liable under CERCLA as an operator of MGPs owned and operated by its former subsidiaries. The appellate panel reversed the trial court's decision that UGI Utilities was released from liability at three sites where UGI Utilities operated MGPs under lease. On October 7, 2005, UGI Utilities filed for reconsideration of the panel's order. On January 17, 2006, the Second Circuit denied UGI Utilities' request for reconsideration of the panel's order. UGI Utilities believes that any liability it may have for a share of the response costs at the three leased MGP sites will not have a material effect on its financial condition or results of operations.

By letter dated June 24, 2004, KeySpan Energy ("KeySpan") informed UGI Utilities that KeySpan has spent \$2.3 million and expects to spend another \$11 million to clean up an MGP site it owns in Sag Harbor, New York. KeySpan believes that UGI Utilities is responsible for approximately 50% of these costs as a result of UGI Utilities' alleged direct ownership and operation of the plant from 1885 to 1902. UGI Utilities is in the process of reviewing the information provided by KeySpan and is investigating this claim.

By letter dated August 5, 2004, Yankee Gas Services Company and Connecticut Light and Power Company, subsidiaries of Northeast Utilities (together, the "Northeast Companies"), demanded contribution from UGI Utilities for past and future remediation costs related to MGP operations on thirteen sites owned by the Northeast Companies in nine cities in the State of Connecticut. The Northeast Companies allege that UGI Utilities controlled operations of the plants from 1883 to 1941. According to the letter, investigation and remediation costs at the sites to date total approximately \$10 million and complete remediation costs for all sites could total \$182 million. The Northeast Companies seek an unspecified fair and equitable allocation of these costs to UGI Utilities. UGI Utilities is in the process of reviewing the information provided by Northeast Companies and is investigating this claim.

The French tax authorities levy taxes on legal entities and individuals regularly operating a business in France which are commonly referred to collectively as "business tax." The amount of business tax charged annually is generally dependent upon the value of certain of the entity's tangible fixed assets. Prior to the Antargaz Acquisition, Antargaz filed suit against French tax authorities in connection with the assessment of business tax related to the tax treatment of certain of its owned tanks at customer locations. Elf Antar France and Elf Aquitaine, now Total France, former owners of Antargaz, agreed to indemnify Antargaz for all payments that would have been due from Antargaz in respect of the tax related to its tanks for the period from January 1, 1997 through December 31, 2000. Antargaz has recorded liabilities for business taxes related to various classes of equipment. On February 4, 2005, Antargaz received a letter from the French government that eliminated the requirement for Antargaz to pay business tax associated with tanks at certain customer locations. In addition, during Fiscal 2005, resolution was reached relating to business taxes relating to a prior year. Further changes in the French government's interpretation

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of the tax laws or in the tax laws themselves could have either an adverse or a favorable effect on our results of operations. Our Condensed Consolidated Statement of Income for the three months ended December 31, 2004 includes a pre-tax gain of \$19.9 million and a net after-tax gain of \$14.9 million associated with the resolution of certain business tax matters related principally to prior years.

In addition to these matters, there are other pending claims and legal actions arising in the normal course of our businesses. We cannot predict with certainty the final results of environmental and other matters. However, it is reasonably possible that some of them could be resolved unfavorably to us and result in losses in excess of recorded amounts. We are unable to estimate any possible losses in excess of recorded amounts. Although we currently believe, after consultation with counsel, that damages or settlements, if any, recovered by the plaintiffs in such claims or actions will not have a material adverse effect on our financial position, damages or settlements could be material to our operating results or cash flows in future periods depending on the nature and timing of future developments with respect to these matters and the amounts of future operating results and cash flows.

8. SUBSEQUENT EVENT - PG ENERGY ACQUISITION

On January 26, 2006, UGI signed a definitive agreement to acquire the natural gas utility assets of PG Energy from Southern Union Company for approximately \$580 million in cash, subject to certain adjustments. UGI expects to fund the purchase price and related costs of the acquisition with a combination of cash and long-term debt. PG Energy serves customers in 13 counties in northeastern and central Pennsylvania. This transaction is subject to PUC approval and federal antitrust review under the Hart-Scott-Rodino Act. This transaction is expected to close during our fourth fiscal quarter ending September 30, 2006.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

Information contained in this Management's Discussion and Analysis of Financial Condition and Results of Operations may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements use forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will," or other similar words. These statements discuss plans, strategies, events or developments that we expect or anticipate will or may occur in the future.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We believe that we have chosen these assumptions or bases in good faith and that they are reasonable. However, we caution you that actual results almost always vary from assumed facts or bases, and the differences between actual results and assumed facts or bases can be material, depending on the circumstances. When considering forward-looking statements, you should keep in mind the following important factors which could affect our future results and could cause those results to differ materially from those expressed in our forward-looking statements: (1) adverse weather conditions resulting in reduced demand; (2) cost volatility and availability of propane and other LPG, oil, electricity and natural gas and the capacity to transport product to our market areas; (3) changes in domestic and foreign laws and regulations, including safety, tax and accounting matters; (4) competitive pressures from the same and alternative energy sources; (5) failure to acquire new customers thereby reducing or limiting any increase in revenues; (6) liability for environmental claims; (7) increased customer conservation measures due to high energy prices and improvements in energy efficiency and technology resulting in reduced demand; (8) adverse labor relations; (9) large customer, counterparty or supplier defaults; (10) liability in excess of insurance coverage for personal injury and property damage arising from explosions and other catastrophic events, including acts of terrorism, resulting from operating hazards and risks incidental to generating and distributing electricity and transporting, storing and distributing natural gas, propane and other LPG; (11) political, regulatory and economic conditions in the United States and in foreign countries, including foreign currency rate fluctuations, particularly in the euro; (12) reduced access to capital markets and interest rate fluctuations; (13) reduced distributions from subsidiaries; and (14) the timing and success of the Company's efforts to develop new business opportunities.

These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. We undertake no obligation to update publicly any forward-looking statement whether as a result of new information or future events except as required by the federal securities laws.

## ANALYSIS OF RESULTS OF OPERATIONS

The following analysis compares our results of operations for the three months ended December 31, 2005 ("2005 three-month period") with the three months ended December 31, 2004 ("2004 three-month period"). Our analysis of results of operations should be read in conjunction with the segment information included in Note 2 to the Condensed Consolidated Financial Statements.

## EXECUTIVE OVERVIEW

Our Company's results are largely seasonal and dependent upon weather conditions, particularly during the peak-heating season, which occurs in the first half of our fiscal year. As a result, our net income is generally higher in our first and second fiscal quarters whereas lower net income or net losses occur in our third and fourth fiscal quarters. In addition to weather conditions, our volumes reflect the effects of customer conservation due to a continuing trend of high energy commodity prices.

All of our businesses contributed higher net income in the 2005 three-month period than in the 2004 three-month period with the exception our International operations. As previously reported, Antargaz' net income in the 2004 three-month period included \$14.9 million (\$0.14 per diluted share) resulting from the resolution of certain non-income tax contingencies. In addition, the 2004 three-month period included unusually high LPG margins per gallon during the latter part of that period.

## NET INCOME BY BUSINESS UNIT:

	Three Months Ended December 31,	
	2005	2004
Net income (loss):	(millions of dollars)	
AmeriGas Propane (a)	\$ 14.9	\$ 10.4
International Propane	14.9	47.2
Gas Utility	18.4	14.5
Electric Utility	3.5	2.5
Energy Services	4.9	3.6
Corporate & Other	0.9	-
Total net income	\$ 57.5	\$ 78.2

(a) Amounts are net of minority interests in AmeriGas Partners, L.P.



AMERIGAS PROPANE:	2005	2004	Increase (Decrease)	
-----				
(Millions of dollars)				
Revenues	\$ 630.2	\$ 556.2	\$ 74.0	13.3%
Total margin (a)	\$ 222.4	\$ 205.1	\$ 17.3	8.4%
Partnership EBITDA (b)	\$ 92.2	\$ 86.4	\$ 5.8	6.7%
Operating income	\$ 74.7	\$ 58.6	\$ 16.1	27.5%
Retail gallons sold (millions)	291.9	296.8	(4.9)	(1.7)%
Degree days - % warmer than normal (c)	(4.1)%	(8.0)%	--	--

(a) Total margin represents total revenues less total cost of sales.

(b) Partnership EBITDA (earnings before interest expense, income taxes and depreciation and amortization) should not be considered as an alternative to net income (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations) and is not a measure of performance or financial condition under accounting principles generally accepted in the United States of America. Management uses Partnership EBITDA as the primary measure of segment profitability for the AmeriGas Propane segment (see Note 2 to the Condensed Consolidated Financial Statements).

(c) Deviation from average heating degree-days based upon national weather statistics provided by the National Oceanic and Atmospheric Administration ("NOAA") for 335 airports in the United States, excluding Alaska.

Based upon heating degree-day data, temperatures were 4.1% warmer than normal during the 2005 three-month period compared to temperatures that were 8.0% warmer than normal during the 2004 three-month period. Notwithstanding the colder weather, retail propane volumes sold decreased 1.7% compared to the prior-year three-month period reflecting the previously mentioned decline in volumes sold to agricultural customers. High propane selling prices continued to cause price-induced customer conservation. In the 2005 three-month period, our average retail propane product cost per retail gallon sold was approximately 20% higher than in the 2004 three-month period, which resulted in higher year-over-year prices to our customers. Low-margin wholesale propane volumes sold decreased during the 2005 three-month period reflecting lower volumes sold in connection with product cost management activities.

Retail propane revenues increased \$67.7 million reflecting a \$75.6 million increase due to higher average selling prices partially offset by a \$7.9 million decrease due to the lower retail volumes sold. Wholesale propane revenues increased \$3.2 million reflecting a \$9.1 million increase resulting from higher average selling prices partially offset by a \$5.9 million decrease due to lower volumes sold. The higher average retail and wholesale selling prices per gallon reflect the continuance of significantly higher propane product costs compared to the prior year. The average wholesale cost per gallon of propane at Mont Belvieu, one of the major propane supply points in the United States, was approximately 25% greater than the average cost per gallon during the 2004 three-month period. Total cost of sales increased to \$407.8 million in the 2005 three-month period from \$351.1 million in the 2004 three-month period largely reflecting the increase in propane product costs partially offset by the decreased volumes sold.

Total margin increased \$17.3 million compared to the 2004 three-month period principally reflecting higher average margin per retail gallon which is largely attributable to the Partnership's product cost and customer pricing management efforts.

Partnership EBITDA during the 2005 three-month period was \$92.2 million compared to \$86.4 million during the 2004 three-month period. The \$5.8 million increase in Partnership EBITDA primarily reflects the increase in total margin partially offset by (1) an \$8.6 million decrease in other income primarily reflecting the absence of the gain on the sale of Atlantic Energy in November 2004 and (2) a \$2.8 million increase in operating and administrative expenses. Operating and administrative expenses

increased principally reflecting higher vehicle fuel costs and vehicle lease expense. Operating income increased \$16.1 million reflecting the previously mentioned increase in total margin and lower depreciation and amortization expense partially offset by \$2.8 million higher operating and administrative expenses.

INTERNATIONAL PROPANE:	2005	2004	Increase (Decrease)	
-----				
(Millions of dollars)				
Revenues	\$ 267.6	\$ 278.2	\$ (10.6)	(3.8)%
Total margin (a)	\$ 108.5	\$ 144.3	\$ (35.8)	(24.8)%
Operating income	\$ 33.6	\$ 77.4	\$ (43.8)	(56.6)%
Income before income taxes	\$ 24.9	\$ 67.9	\$ (43.0)	(63.3)%
Antargaz retail gallons sold (millions)	92.7	103.8	(11.1)	(10.7)%
Antargaz total margin, millions of euros (a)	E 86.1	E 103.9	(E 17.8)	(17.1)%
-----				

(a) Total margin represents total revenues less total cost of sales.

Weather in Antargaz' service territory was approximately 0.7% warmer than normal compared to 3.3% warmer than normal in the 2004 three-month period. FLAGA experienced only slightly warmer than normal weather in the 2005 three-month period compared to approximately 7% warmer than normal weather in the prior-year three-month period. During the 2005 three-month period, the monthly average currency translation rate was 1.19 dollars per euro compared to 1.30 dollars per euro in the 2004 three-month period. Antargaz' retail LPG volumes sold decreased to 92.7 million gallons from 103.8 million gallons in the 2004 three-month period due in large part to the late onset of winter weather, lower agricultural volumes sold and customer conservation. In addition, competition in France has intensified, including in the butane cylinder market, as hyper/supermarkets expanded vertically and began marketing their own cylinders.

International Propane revenues declined during the 2005 three-month period reflecting the effects of the stronger dollar versus the euro and the lower retail gallons sold which were partially offset by higher retail LPG selling prices. Both Antargaz and FLAGA experienced significantly higher LPG product costs. International Propane's total cost of sales increased approximately 19% largely reflecting the increased LPG product costs partially offset by the decreased volumes sold.

Total margin declined \$35.8 million in the 2005 three-month period primarily reflecting the decline in Antargaz' results. Antargaz' total base currency margin declined E17.8 million reflecting the lower volumes sold and lower margin per gallon of LPG ("unit margin"). Approximately \$11 million of the decline in International Propane total margin reflects the effects of the change in the monthly average exchange rate. During the 2004 three-month period, Antargaz experienced higher than normal unit margins which reflected a decline in LPG product costs during the quarter coupled with a strengthening euro.

International Propane operating income declined \$43.8 million in the 2005 three-month period principally reflecting the decline in total margin and the absence of income recorded in the 2004 three-month period resulting from the reversal of certain non-income related tax reserves (see discussion in "Antargaz Tax Matters"). The decrease in income before income taxes principally reflects the decrease in operating income partially offset by FLAGA's slightly lower interest expense.

UGI CORPORATION AND SUBSIDIARIES

GAS UTILITY:	2005	2004	Increase (Decrease)	
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(Millions of dollars)				
Revenues	\$ 219.8	\$ 161.2	\$ 58.6	36.4%
Total margin (a)	\$ 59.9	\$ 54.6	\$ 5.3	9.7%
Operating income	\$ 35.7	\$ 28.1	\$ 7.6	27.0%
Income before income taxes	\$ 30.6	\$ 24.0	\$ 6.6	27.5%
System throughput -				
billions of cubic feet ("bcf")	22.9	23.0	(0.1)	(0.4)%
Degree days - % warmer than normal (b)	(1.3)%	(4.9)%	--	--
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(a) Total margin represents total revenues less total cost of sales.

(b) Deviation from average heating degree days based upon weather statistics provided by the National Oceanic and Atmospheric Administration ("NOAA") for four airports located within our service territory.

Weather in Gas Utility's service territory based upon heating degree-days was 1.3% warmer than normal during the 2005 three-month period and 3.7% colder than in the prior-year three-month period. During the 2005 three-month period, the Company revised its method of calculating heating degree day statistics to more accurately reflect temperatures across Gas Utility's service territory by using a four location average. Previously we reported degree day statistics using temperatures measured at one location in our service territory. Heating degree day statistics for the 2004 three-month period have been adjusted to reflect the revised method.

Notwithstanding the colder 2005 three-month period weather and year-over-year growth in the number of our customers, total distribution system throughput decreased slightly as a 0.8 bcf increase in sales to firm- residential, commercial and industrial ("retail core-market") customers was more than offset by lower volumes transported for firm and interruptible delivery service customers.

During the 2005 three-month period, the Company adjusted its method of estimating throughput and associated revenues for service provided through the end of the month but not yet billed by more closely correlating such estimated throughput to distribution system sendout data. The Company believes that the new method of estimating unbilled throughput results in a more accurate quarterly estimate of unbilled revenues and associated total margin. The change in the method of estimating unbilled throughput resulted in a 0.6 bcf increase in retail core-market volumes sold and associated increases in Gas Utility revenues and total margin of \$10.2 million and \$1.9 million, respectively. Gas Utility revenues increased \$58.6 million during the 2005 three-month period principally reflecting a \$48.7 million increase in retail core-market revenues, reflecting the effects of higher average purchased gas cost ("PGC") rates and the higher volumes sold and a \$7.9 million increase in revenues from low-margin off-system sales. Increases or decreases in retail core-market customer revenues and cost of sales result principally from changes in retail core-market volumes and the level of gas costs collected through the PGC recovery mechanism. Under this recovery mechanism, Gas Utility records the cost of gas associated with sales to retail core-market customers at amounts included in PGC rates. The difference between actual gas costs and the amount included in rates is deferred on the balance sheet as a regulatory asset or liability and represents amounts to be collected from or refunded to customers in a future period. As a result of the PGC recovery mechanism, increases or decreases in the cost of gas associated with retail core-market customers have no direct effect on retail core-market margin. Gas Utility's cost of gas was \$159.9 million in the 2005 three-month period compared to \$106.6 million in the 2004 three-month period reflecting the impact of the previously mentioned higher retail core-market purchased gas costs, higher retail core-market volumes, and costs associated with the greater off-system sales.

Gas Utility total margin in the 2005 three-month period increased \$5.3 million reflecting increased retail core-market margin principally resulting from the higher sales to retail core-market customers and higher average unit margins from interruptible customers.

Gas Utility operating income increased to \$35.7 million in the 2005 three-month period from \$28.1 million in the 2004 three-month period principally reflecting the \$5.3 million increase in total margin and a \$2.5 million decrease in total operating and administrative expenses which were partially offset by an increase in depreciation expense. Total operating and administrative expenses were lower than the prior-year period predominately reflecting lower stock-based incentive compensation costs, including such costs allocated by UGI, partially offset by increased uncollectible accounts expense. The increase in Gas Utility income before income taxes reflects the previously mentioned increase in operating income partially offset by an increase in interest expense principally attributable to higher short-term debt outstanding and higher short-term interest rates.

ELECTRIC UTILITY:	2005	2004	Increase (Decrease)	
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(Millions of dollars)				
Revenues	\$ 23.9	\$ 22.3	\$ 1.6	7.2%
Total margin (a)	\$ 11.3	\$ 10.1	\$ 1.2	11.9%
Operating income	\$ 6.5	\$ 4.7	\$ 1.8	38.3%
Income before income taxes	\$ 6.0	\$ 4.2	\$ 1.8	42.9%
Distribution sales - millions of kilowatt hours ("gwh")	258.0	249.1	8.9	3.6%

(a) Total margin represents total revenues less total cost of sales and revenue-related taxes, i.e. Electric Utility gross receipts taxes, of \$1.3 million and \$1.2 million in three-month periods ended December 31, 2005 and 2004, respectively. For financial statement purposes, revenue-related taxes are included in "Utility taxes other than income taxes" on the Consolidated Statements of Income.

Electric Utility's 2005 three-month period kilowatt-hour sales were 3.6% higher than in the prior-year period. Electric Utility revenues increased \$1.6 million in the 2005 three-month period largely reflecting an increase in its Provider of Last Resort ("POLR") electric generation rates effective January 1, 2005 and the effects of the higher sales. Electric Utility's cost of sales increased \$0.3 million as a result of increased kilowatt-hour sales.

Electric Utility total margin in the 2005 three-month period increased \$1.2 million compared to the 2004 three-month period principally reflecting the increase in POLR electric generation rates and the effects of the higher sales. During the 2005 three-month period, the Company adjusted its method of estimating sales and associated revenues for electricity consumed but not yet billed to its customers. The change in the method of estimating unbilled sales resulted in a 5 gwh increase in distribution system sales and associated increases in Electric Utility revenues and total margin of \$0.4 million.

Operating income increased in the 2005 three-month period reflecting the increase in total margin and a decrease in operating and administrative expenses that reflects, in part, lower stock-based incentive compensation costs. The increase in income before income taxes principally reflects the higher operating income reduced by higher interest expense on short-term debt.

UGI CORPORATION AND SUBSIDIARIES

ENERGY SERVICES:	2005	2004	Increase (Decrease)	
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(Millions of dollars)				
Revenues	\$ 451.4	\$ 329.0	\$ 122.4	37.2%
Total margin (a)	\$ 17.7	\$ 15.8	\$ 1.9	12.0%
Operating income	\$ 8.2	\$ 6.1	\$ 2.1	34.4%
Income before income taxes	\$ 8.2	\$ 6.1	\$ 2.1	34.4%
-----				

(a) Total margin represents total revenues less total cost of sales.

Energy Services revenues increased \$122.4 million in the 2005 three-month period compared to the 2004 three-month period. Revenues generated by Energy Services' natural gas and oil marketing business increased approximately \$100 million in the 2005 three-month period despite a 25% decrease in natural gas volumes sold reflecting the effects of higher natural gas product costs. The decline in natural gas volumes reflects the effects of higher natural gas prices, including the volume impact of maintaining our credit risk management policies. Asset Management provided approximately \$16.9 million in higher revenues largely reflecting the ownership of the propane terminal for a full quarter in the 2005 three-month period. The terminal was purchased through two separate transactions with ConocoPhillips Company and AmeriGas Propane in November 2004.

Total margin increased \$1.9 million in the 2005 three-month period compared to the prior-year three-month period. The increase in total margin is primarily attributed to the full three months of margin from Asset Management's propane terminal operations and higher margin from UGID than in the prior-year period.

The increase in Energy Services operating income and income before income taxes principally reflects the previously mentioned increase in total margin and lower uncollectible accounts expense.

FINANCIAL CONDITION AND LIQUIDITY

FINANCIAL CONDITION

Our cash, cash equivalents and short-term investments totaled \$597.3 million at December 31, 2005 compared with \$385.0 million at September 30, 2005. These amounts include \$161.9 million and \$138.7 million, respectively, of cash, cash equivalents and short-term investments available to UGI. In addition, the use of \$237.7 million of our cash is restricted for Antargaz' redemption of its High Yield Bonds which is discussed below.

The Company's long-term debt outstanding at December 31, 2005 totaled \$1,877.5 million (including current maturities of \$423.0 million) compared to \$1,644.5 million of long-term debt (including current maturities of \$252.0 million) at September 30, 2005. At December 31, 2005, our current maturities of long-term debt include Antargaz' High Yield Bonds that were redeemed in January 2006.

AmeriGas OLP's Credit Agreement expires on October 15, 2008 and consists of (1) a \$100 million Revolving Credit Facility and (2) a \$75 million Acquisition Facility. The Revolving Credit Facility may be used for working capital and general purposes of AmeriGas OLP. The Acquisition Facility provides AmeriGas OLP with the ability to borrow up to \$75 million to finance the purchase of propane businesses or propane business assets or, to the extent it is not so used, for working capital and general purposes, subject to restrictions in the AmeriGas Partners Senior Notes indentures. At December 31, 2005, there were no borrowings outstanding under the Credit Agreement. Issued and outstanding letters of credit

under the Revolving Credit Facility, which reduce the amount available for borrowings, totaled \$58.9 million at December 31, 2005. AmeriGas OLP's short-term borrowing needs are seasonal and are typically greatest during the fall and winter heating-season months due to the need to fund higher levels of working capital. Largely due to the issuance of 2.3 million Common Units in September 2005, during the 2005 three-month period the Partnership did not need to use its revolving credit facility to fund its operations. The average daily borrowings outstanding under the Credit Agreement during the three months ended December 31, 2004 were \$20.2 million. The peak borrowings outstanding under the Credit Agreement during the 2004 three-month period were \$51.0 million.

In January 2006, the Partnership and AP Eagle Finance Corp. issued \$350 million of 7.125% Senior Notes due 2016. The proceeds of this registered public debt offering were used to refinance \$59.5 million of the Partnership's \$60 million 10% Senior Notes due 2006 pursuant to a tender offer, plus a premium, and AmeriGas OLP's \$35 million term loan due October 1, 2006. On January 27, 2006, AmeriGas OLP notified the holders of its \$160 million Series A and \$68.8 million Series C First Mortgage Notes of its intention to redeem the notes, including a make-whole premium, on February 16, 2006. UGI expects to incur an after-tax loss on extinguishment of debt associated with these refinancings of approximately \$4 to \$4.5 million during the three months ending March 31, 2006.

AmeriGas Partners periodically issues debt and equity securities and expects to continue to do so. It has issued debt securities in underwritten public offerings or private offerings and Common Units in underwritten public offerings in each of the last three fiscal years. Most recently, it issued debt securities in January 2006 and Common Units in September 2005 in underwritten public offerings. Proceeds from these offerings are generally used to reduce or refinance indebtedness and for general Partnership purposes, including funding acquisitions. AmeriGas Partners has an effective unallocated debt and equity shelf registration statement with the U.S. Securities and Exchange Commission ("SEC") under which it may issue Common Units or Senior Notes due 2016 in underwritten public offerings.

On December 7, 2005, Antargaz executed a new five-year, floating rate Senior Facilities Agreement with a major French bank providing for a E380 million term loan and a E50 million revolving credit facility which expires March 31, 2011. At December 31, 2005, there were no borrowings outstanding under the revolver. The proceeds of the term loan were used in December 2005 to repay immediately the existing E175 million Senior Facilities term loan and for general corporate purposes. As of December 31, 2005, AGZ Finance had notified the holders of its High Yield Bonds of its decision to redeem them, including a premium, pursuant to the Trust Deed. Therefore, E200 million of the proceeds from the new Senior Facilities Agreement were restricted to fund the redemption of the High Yield Bonds that occurred in January 2006. This amount is reflected in restricted cash on the Condensed Consolidated Balance Sheet at December 31, 2005. In addition, Antargaz executed an interest rate swap agreement with the same bank to fix the rate of interest on the term loan for the duration of the loan at a rate of approximately 4%. As of January 17, 2006, the High Yield Bonds were redeemed, with premium. The restrictions on excess proceeds of approximately E21 million were removed and such proceeds are available for general corporate purposes.

FLAGA's management plans to obtain an extension of or refinance its outstanding long-term debt. FLAGA has long-term debt maturing during 2006 of approximately \$56.2 million.

UGI Utilities has revolving credit commitments under which it may borrow up to a total of \$110 million. These agreements expire in June 2007 through June 2008. From time to time, UGI Utilities enters into short-term borrowings under uncommitted arrangements with major banks in order to meet liquidity needs during the peak-heating season. At December 31, 2005, UGI Utilities had two \$35 million borrowings outstanding under these uncommitted arrangements and \$75.5 million in borrowings

outstanding under the revolving credit agreements. Short-term borrowings, including borrowings under revolving credit agreements, are classified as bank loans on the Condensed Consolidated Balance Sheets. UGI Utilities also has a shelf registration statement with the SEC under which it may issue up to an additional \$75 million of Medium-Term Notes or other debt securities. During the three months ended December 31, 2005 and 2004, peak bank loan borrowings totaled \$155.1 million and \$89.7 million, respectively. Average daily bank loan borrowings were \$101.6 million and \$63.6 million during the three months ended December 31, 2005 and 2004, respectively. The increase in bank loans during the 2005 three-month period reflects, in large part, borrowings to fund increased working capital resulting principally from higher natural gas prices.

Energy Services has a \$150 million receivables purchase facility ("Receivables Facility") with an issuer of receivables-backed commercial paper expiring in August 2007. In order to provide additional short-term liquidity during the peak heating season due to increased energy product costs, the maximum level of funding available at any one time from this facility was temporarily increased to \$300 million for the period from November 1, 2005 to April 24, 2006. After April 24, 2006, the maximum level of funding available at any one time from this facility is \$150 million. Under the Receivables Facility, Energy Services transfers, on an ongoing basis and without recourse, its trade accounts receivable to its wholly owned, special purpose subsidiary, Energy Services Funding Corporation ("ESFC"), which is consolidated for financial statement purposes. ESFC, in turn, has sold, and subject to certain conditions, may from time to time sell, an undivided interest in some or all of the receivables to a commercial paper conduit of a major bank. The proceeds of these sales are less than the face amount of the accounts receivable sold by an amount that approximates the purchaser's financing cost of issuing its own receivables-backed commercial paper. ESFC was created and has been structured to isolate its assets from creditors of Energy Services and its affiliates, including UGI. This two-step transaction is accounted for as a sale of receivables following the provisions of Statement of Financial Accounting Standards ("SFAS") No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." Energy Services continues to service, administer and collect trade receivables on behalf of the commercial paper issuer and ESFC. At December 31, 2005, the outstanding balance of ESFC receivables was \$64.5 million which is net of \$95 million in trade receivables sold to the commercial paper conduit.

In addition, a major bank has committed to Energy Services to issue up to \$50 million of standby letters of credit, secured by cash or marketable securities ("LC Facility"). At December 31, 2005, there were no letters of credit outstanding. Energy Services expects to fund the collateral requirements with borrowings under its Receivables Facility. The LC Facility, which we intend to renew, expires in April 2006.

#### CASH FLOWS

OPERATING ACTIVITIES. Due to the seasonal nature of the Company's businesses, cash flows from operating activities are generally strongest during the second and third fiscal quarters when customers pay for natural gas, propane and other LPG and electricity consumed during the heating season months. Conversely, operating cash flows are generally at their lowest levels during the first and fourth fiscal quarters when the Company's investment in working capital, principally accounts receivable and/or inventories, is generally greatest. AmeriGas Propane and UGI Utilities primarily use revolving credit facilities and, as previously mentioned, have used other borrowings to satisfy their seasonal operating cash flow needs. Energy Services uses its Receivables Facility to satisfy its seasonal operating cash flow needs. Antargaz has historically been successful funding its operating cash flow needs without the use of its revolver. Cash flow used by operating activities was \$17.5 million in the 2005 three-month period compared to cash flow provided of \$4.8 million in the 2004 three-month period. The decrease in operating cash flow principally reflects our increased need for cash to fund working capital which

reflects, in large part, the effects of higher energy commodity prices. Cash flow from operating activities before changes in operating working capital was \$129.1 million in the 2005 three-month period compared with \$131.6 million in the prior-year three-month period. Changes in operating working capital used \$146.6 million in the 2005 three-month period and \$126.8 million in the 2004 three-month period.

**INVESTING ACTIVITIES.** Investing activity cash flow is principally affected by capital expenditures and investments in property, plant and equipment, cash paid for acquisitions of businesses, changes in short-term investments and proceeds from sales of assets. Cash flow used in investing activities was \$284.8 million in the 2005 three-month period compared to \$57.0 million in the prior-year period. The increase in cash flow used in investing activities primarily reflects the restricted investment in cash reflecting proceeds from Antargaz' issuance of debt part of which it used to redeem its High Yield Bonds in January 2006.

**FINANCING ACTIVITIES.** Cash flow provided by financing activities was \$273.9 million in the 2005 three-month period compared with \$20.9 million of cash provided in the prior-year three-month period. Financing activity cash flow changes are primarily due to issuances and repayments of long-term debt, net borrowings under revolving credit facilities, dividends and distributions on UGI Common Stock and AmeriGas Partners Common Units, and proceeds from public offerings of AmeriGas Partners Common Units and issuances of UGI Common Stock. In December 2005, Antargaz entered into a \$380 million term loan. A portion of the proceeds were used to repay the existing \$175 million Senior Facilities term loan and for general corporate purposes. Antargaz used a portion of the remaining proceeds to redeem its \$165 million of High Yield Bonds. Also, in December 2005, UGI Utilities refinanced \$50 million of its maturing 7.14% Medium-Term Notes with the proceeds from the issuance of \$50 million of 5.64% Medium-Term Notes.

We paid cash dividends on UGI Common Stock of \$17.7 million and \$16.0 million during the three months ended December 31, 2005 and 2004, respectively. During the three months ended December 31, 2005, the Partnership declared and paid the quarterly distributions on all limited partner units for the quarter ended September 30, 2005. The quarterly distribution of \$0.56 for the quarter ended December 31, 2005 will be paid on February 18, 2006 to holders of record on February 10, 2006.

#### ANTARGAZ TAX MATTER

The French tax authorities levy taxes on legal entities and individuals regularly operating a business in France which are commonly referred to collectively as "business tax." The amount of business tax charged annually is generally dependent upon the value of certain of the entity's tangible fixed assets. Prior to the Antargaz Acquisition, Antargaz filed suit against French tax authorities in connection with the assessment of business tax related to the tax treatment of certain of its owned tanks at customer locations. Elf Antar France and Elf Aquitaine, now Total France, former owners of Antargaz, agreed to indemnify Antargaz for all payments that would have been due from Antargaz in respect of the tax related to its tanks for the period from January 1, 1997 through December 31, 2000. Antargaz has recorded liabilities for business taxes related to various classes of equipment. On February 4, 2005, Antargaz received a letter from the French government that eliminated the requirement for Antargaz to pay business tax associated with tanks at certain customer locations. In addition, during Fiscal 2005 resolution was reached relating to business taxes relating to a prior year. Further changes in the French government's interpretation of the tax laws or in the tax laws themselves could have either an adverse or a favorable effect on our results of operations. Our Condensed Consolidated Statement of Income for the 2004 three-month period includes a pre-tax gain of \$19.9 million and a net after-tax gain of \$14.9 million associated with the resolution of certain business tax matters related principally to prior years.



PG ENERGY ACQUISITION

On January 26, 2006, UGI signed a definitive agreement to acquire the natural gas utility assets of PG Energy from Southern Union Company for approximately \$580 million in cash, subject to certain adjustments. We expect to fund the purchase price and related costs of the acquisition with a combination of cash and long-term debt. PG Energy serves customers in 13 counties in northeastern and central Pennsylvania. This transaction is subject to PUC approval and federal antitrust review under the Hart-Scott-Rodino Act. This transaction is expected to close during our fourth fiscal quarter ending September 30, 2006.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our primary market risk exposures are (1) market prices for propane and other LPG, natural gas and electricity; (2) changes in interest rates; and (3) foreign currency exchange rates.

The risk associated with fluctuations in the prices the Partnership and our International Propane operations pay for LPG is principally a result of market forces reflecting changes in supply and demand for propane and other energy commodities. Their profitability is sensitive to changes in LPG supply costs. Increases in supply costs are generally passed on to customers. International Propane and the Partnership may not, however, always be able to pass through product cost increases fully or on a timely basis, particularly when product costs rise rapidly. In order to reduce the volatility of LPG market price risk, the Partnership uses contracts for the forward purchase or sale of propane, propane fixed-price supply agreements, and over-the-counter derivative commodity instruments including price swap and option contracts and Antargaz hedges a portion of its future U.S. dollar denominated LPG product purchases through the use of forward foreign exchange contracts. Antargaz may also enter into other contracts, similar to those used by the Partnership. FLAGA has and may use derivative commodity instruments to reduce market risk associated with a portion of its propane purchases. Over-the-counter derivative commodity instruments utilized to hedge forecasted purchases of propane are generally settled at expiration of the contract. In order to minimize credit risk associated with its derivative commodity contracts, the Partnership monitors established credit limits with the contract counterparties. Although we use derivative financial and commodity instruments to reduce market price risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes.

Gas Utility's tariffs contain clauses that permit recovery of substantially all of the prudently incurred costs of natural gas it sells to its customers. The recovery clauses provide for periodic adjustments for the difference between the total amounts actually collected from customers through PGC rates and the recoverable costs incurred. Because of this ratemaking mechanism, there is limited commodity price risk associated with our Gas Utility operations. Gas Utility uses exchange-traded natural gas call option contracts to reduce volatility in the cost of gas it purchases for its retail core-market customers. The cost of these call option contracts, net of any associated gains, is included in Gas Utility's PGC recovery mechanism.

Electric Utility purchases its electric power needs from electricity suppliers under fixed-price energy and capacity contracts and, to a much lesser extent, on the spot market. Prices for electricity can be volatile especially during periods of high demand or tight supply. In accordance with POLR settlements approved by the PUC, Electric Utility may increase its POLR rates up to certain limits through December 31, 2006. In accordance with these settlements, Electric Utility increased its POLR generation rates for all metered customers by a total of 7.5% of its total rates in effect on December

31, 2004 (an increase of 4.5% effective January 1, 2005 and an additional increase of 3% effective January 1, 2006). Currently, Electric Utility's fixed-price power and capacity contracts with electricity suppliers mitigate a substantial portion of its commodity price risk associated with POLR service rate limits in effect through December 31, 2006. With respect to its existing fixed-price power and capacity contracts, should any of the counterparties fail to provide electric power or capacity under the terms of such contracts, any increases in the cost of replacement power or capacity could negatively impact Electric Utility results. In order to reduce the risk associated with non-performance, Electric Utility has diversified its purchases across several suppliers and entered into bilateral collateral arrangements with certain of them. At December 31, 2005, Electric Utility held \$5.9 million in collateral deposits which are reflected in other current liabilities in the Condensed Consolidated Balance Sheet. From time to time, Electric Utility enters into electric price swap agreements to reduce the volatility in the cost of a portion of its anticipated electricity requirements.

In order to manage market price risk relating to substantially all of Energy Services' fixed-price sales contracts for natural gas, Energy Services purchases exchange-traded natural gas futures contracts or enters into fixed-price supply arrangements. Exchange-traded natural gas futures contracts are guaranteed by the New York Mercantile Exchange ("NYMEX") and have nominal credit risk. The change in market value of these contracts generally requires daily cash deposits in margin accounts with brokers. At December 31, 2005, Energy Services had \$10.1 million deposited into such margin accounts. Although Energy Services' fixed-price supply arrangements mitigate most risks associated with its fixed-price sales contracts, should any of the natural gas suppliers under these arrangements fail to perform, increases, if any, in the cost of replacement natural gas would adversely impact Energy Services' results. In order to reduce this risk of supplier nonperformance, Energy Services has diversified its purchases across a number of suppliers.

UGID has entered into fixed-price sales agreements for a portion of the electricity expected to be generated by its interests in electric generation assets. In conjunction with certain of these sales agreements, at December 31, 2005, UGID had \$14.7 million in collateral deposits with its counterparties which is reflected in other assets on the Condensed Consolidated Balance Sheet. In the event that these generation assets would not be able to produce all of the electricity needed to supply electricity under these agreements, UGID would be required to purchase such electricity on the spot market or under contract with other electricity suppliers. Accordingly, increases in the cost of replacement power could negatively impact the Company's results.

Asset Management has and may continue to enter into fixed-price sales agreements for a portion of its propane sales. In order to manage the market price risk relating to substantially all of its fixed-price sales contracts for propane, Asset Management enters into price swap and option contracts.

We have both fixed-rate and variable-rate debt. Changes in interest rates impact the cash flows of variable-rate debt but generally do not impact its fair value. Conversely, changes in interest rates impact the fair value of fixed-rate debt but do not impact their cash flows.

Our variable-rate debt includes borrowings under AmeriGas OLP's Credit Agreement, AmeriGas OLP's \$35 million term loan, UGI Utilities' bank loans and a substantial portion of FLAGA's debt. These debt agreements have interest rates that are generally indexed to short-term market interest rates. Antargaz has effectively fixed the interest rate on its variable-rate debt through June 2011 through the use of an interest rate swap. At December 31, 2005, combined borrowings outstanding under these agreements totaled approximately \$254 million. Our long-term debt is typically issued at fixed rates of interest based upon market rates for debt having similar terms and credit ratings. As these long-term debt issues mature, we may refinance such debt with new debt having

UGI CORPORATION AND SUBSIDIARIES

interest rates reflecting then-current market conditions. This debt may have an interest rate that is more or less than the refinanced debt. In order to reduce interest rate risk associated with near-term forecasted issuances of fixed-rate debt, from time to time we enter into interest rate protection agreements.

The following table summarizes the fair values of unsettled market risk sensitive derivative instruments held at December 31, 2005. Fair values reflect the estimated amounts that we would receive or pay to terminate the contracts at the reporting date based upon quoted market prices of comparable contracts at December 31, 2005. The table also includes the changes in fair value that would result if there were a ten percent adverse change in (1) the market price of propane; (2) the market price of natural gas; (3) the market price of electricity; (4) interest rates on ten-year U.S. treasury notes and the three-month Euribor and; (5) value of the euro versus the U.S. dollar.

	Fair Value	Change in Fair Value
-----		
(Millions of dollars)		
December 31, 2005:		
Propane commodity price risk	\$ 15.5	\$ (12.9)
Natural gas commodity price risk	(4.6)	(8.5)
Electricity commodity price risk	7.5	(1.5)
Interest rate risk	(8.0)	(19.4)
Foreign currency exchange rate risk	8.4	(15.5)
-----		

Gas Utility's exchange-traded natural gas call option contracts are excluded from the table above because any associated net gains are included in Gas Utility's PGC recovery mechanism. Because our derivative instruments generally qualify as hedges under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," ("SFAS 133"), we expect that changes in the fair value of derivative instruments used to manage commodity or interest rate market risk would be substantially offset by gains or losses on the associated anticipated transactions.

Our primary exchange rate risk is associated with the U.S. dollar versus the euro. The U.S. dollar value of our foreign-denominated assets and liabilities will fluctuate with changes in the associated foreign currency exchange rates. We use derivative instruments to hedge portions of our net investments in foreign subsidiaries ("net investment hedges"). Realized gains or losses remain in other comprehensive income until such foreign operations are liquidated. At December 31, 2005, the fair value of unsettled net investment hedges was a gain of \$2.5 million, which is included in the foreign currency exchange rate risk in the table above. With respect to our net investments in FLAGA and Antargaz, a 10% decline in the value of the euro versus the U.S. dollar, excluding the effects of any net investment hedges, would reduce their aggregate net book value by approximately \$49.6 million, which amount would be reflected in other comprehensive income.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures as of the end of the period covered by this report were designed and functioning effectively to provide reasonable assurance that the information required to be disclosed by the Company in reports filed under the Securities Exchange Act of 1934, as amended, is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (ii) accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding disclosure.

(b) Change in Internal Control over Financial Reporting

No change in the Company's internal control over financial reporting occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

UGI CORPORATION AND SUBSIDIARIES

PART II OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On September 20, 2001, Consolidated Edison Company of New York ("ConEd") filed suit against UGI Utilities in the United States District Court for the Southern District of New York, seeking contribution from UGI Utilities for an allocated share of response costs associated with investigating and assessing gas plant related contamination at former MGP sites in Westchester County, New York. The complaint alleges that UGI Utilities "owned and operated" the MGPs prior to 1904. The complaint also seeks a declaration that UGI Utilities is responsible for an allocated percentage of future investigative and remedial costs at the sites. ConEd believes that the cost of remediation for all of the sites could exceed \$70 million.

The trial court granted UGI Utilities' motion for summary judgment and dismissed ConEd's complaint. The grant of summary judgment was entered April 1, 2004. ConEd appealed and on September 9, 2005 a panel of the Second Circuit Court of Appeals affirmed in part and reversed in part the decision of the trial court. The appellate panel affirmed the trial court's decision dismissing claims that Utilities was liable under CERCLA as an operator of MGPs owned and operated by its former subsidiaries. The appellate panel reversed the trial court's decision that UGI Utilities was released from liability at three sites where UGI Utilities operated MGPs under lease. On October 7, 2005, UGI Utilities filed for reconsideration of the panel's order. On January 17, 2006, the Second Circuit Court of Appeals denied UGI Utilities' request for reconsideration of the panel's order. UGI Utilities believes that any liability it may have for a share of the response costs at the three leased MGP sites will not have a material effect on its financial condition or results of operations.

ITEM 6. EXHIBITS

The exhibits filed as part of this report are as follows (exhibits incorporated by reference are set forth with the name of the registrant, the type of report and registration number or last date of the period for which it was filed, and the exhibit number in such filing):

EXHIBIT NO. EXHIBIT REGISTRANT FILING EXHIBIT - ----- 4.1

Indenture, dated January 26, AmeriGas Form 8-K 4.1 2006 by and among AmeriGas Partners, (1/26/06) Partners, L.P., a Delaware L.P. limited partnership, AP Eagle Finance Corp., a Delaware corporation, and U.S. Bank National Association, as trustee. -34-

UGI CORPORATION AND SUBSIDIARIES

EXHIBIT NO. EXHIBIT REGISTRANT FILING EXHIBIT - ----- 10.1

Senior Facilities Agreement dated December 7, 2005 by and among AGZ Holding, as Borrower and Guarantor, Antargaz, as Borrower and Guarantor, Calyon, as Mandated Lead Arranger, Facility Agent and Security Agent and the Financial Institutions named therein. 10.2 Pledge of Financial Instruments Account relating to Financial Instruments held by AGZ Holding in Antargaz, dated December 7, 2005, by and among AGZ Holding, as Pledgor, Calyon, as Security Agent, and the Lenders. 10.3 Pledge of Financial Instruments Account relating to Financial Instruments held by Antargaz in certain subsidiary companies, dated December 7, 2005, by and among Antargaz, as Pledgor, Calyon, as Security Agent, and the Revolving Lenders. 10.4 Letter of Undertakings dated December 7, 2005, by UGI Bordeaux Holding to AGZ Holding, the Parent of Antargaz, and Calyon, the Facility Agent, acting on behalf of the Lenders, (as defined within the Senior Facilities Agreement). 10.5 Amendment No. 1 dated as of June 24, 2004, to Tax Consolidation Agreement, dated June 18, 2004, as amended, entered into by UGI Bordeaux Holding and its Subsidiaries named therein. 10.6 Amendment No. 2 dated as of December 7, 2005 to Tax Consolidation Agreement, dated June 18, 2004, as amended, entered into by UGI Bordeaux Holding and its Subsidiaries named therein. -35-

UGI CORPORATION AND SUBSIDIARIES

EXHIBIT NO.

EXHIBIT

REGISTRANT

FILING

EXHIBIT - --

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-----

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----- 10.7

Security

Agreement

for the

Assignment

of

Receivables

dated as of

December 7,

2005 by and

among AGZ

Holding, as

Assignor,

Calyon, as

Security

Agent, and

the Lenders

named

therein.

10.8

Security

Agreement

for the

Assignment

of

Receivables

dated as of

December 7,  
2005 by and  
among  
Antargaz, as  
Assignor,  
Calyon, as  
Security  
Agent, and  
the Lenders  
named  
therein.  
10.9  
Purchase and  
Sale  
Agreement  
UGI 8-K 10.1  
by and  
between  
Southern  
Union  
(1/26/06)  
Company, as  
Seller, and  
UGI  
Corporation,  
as Buyer,  
dated as of  
January 26,  
2006. 10.10  
Employee  
Agreement by  
and UGI 8-K  
10.2 between  
Southern  
Union  
(1/26/06)  
Company and  
UGI  
Corporation  
dated as of  
January 26,  
2006. 31.1  
Certification  
by the Chief  
Executive  
Officer  
relating to  
the  
Registrant's  
Report on  
Form 10-Q  
for the  
quarter  
ended  
December 31,  
2005,  
pursuant to  
Section 302  
of the  
Sarbanes-  
Oxley Act of  
2002. 31.2  
Certification  
by the Chief  
Financial  
Officer  
relating to  
the  
Registrant's  
Report on  
Form 10-Q  
for the  
quarter  
ended  
December 31,  
2005,  
pursuant to  
Section 302  
of the  
Sarbanes-  
Oxley Act of  
2002. 32  
Certification  
by the Chief  
Executive  
Officer and  
the Chief  
Financial  
Officer  
relating to  
the  
Registrant's  
Report on  
Form 10-Q  
for the  
quarter  
ended  
December 31,

2005,  
pursuant to  
Section 906  
of the  
Sarbanes-  
Oxley Act of  
2002.  
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UGI CORPORATION AND SUBSIDIARIES SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. UGI Corporation ----- (Registrant) Date: February 9, 2006 By: /s/ Anthony J. Mendicino - ----- Anthony J. Mendicino Senior Vice President-Finance and Chief Financial Officer Date: February 9, 2006 By: /s/ Michael J. Cuzzolina - ----- Michael J. Cuzzolina Vice President-Accounting and Financial Control and Chief Risk Officer -37-



UGI CORPORATION AND SUBSIDIARIES EXHIBIT INDEX 10.1 Senior Facilities Agreement dated December 7, 2005 by and among AGZ Holding, as Borrower and Guarantor, Antargaz, as Borrower and Guarantor, Calyon, as Mandated Lead Arranger, Facility Agent and Security Agent and the Financial Institutions named therein. 10.2 Pledge of Financial Instruments Account relating to Financial Instruments held by AGZ Holding in Antargaz, dated December 7, 2005, by and among AGZ Holding, as Pledgor, Calyon, as Security Agent, and the Lenders. 10.3 Pledge of Financial Instruments Account relating to Financial Instruments held by Antargaz in certain subsidiary companies, dated December 7, 2005, by and among Antargaz, as Pledgor, Calyon, as Security Agent, and the Revolving Lenders. 10.4 Letter of Undertakings dated December 7, 2005, by UGI Bordeaux Holding to AGZ Holding, the Parent of Antargaz, and Calyon, the Facility Agent, acting on behalf of the Lenders, (as defined within the Senior Facilities Agreement). 10.5 Amendment No. 1 dated as of June 24, 2004, to Tax Consolidation Agreement, dated June 18, 2004, as amended, entered into by UGI Bordeaux Holding and its Subsidiaries named therein. 10.6 Amendment No. 2 dated as of December 7, 2005 to Tax Consolidation Agreement, dated June 18, 2004, as amended, entered into by UGI Bordeaux Holding and its Subsidiaries named therein. 10.7 Security Agreement for the Assignment of Receivables dated as of December 7, 2005 by and among AGZ Holding, as Assignor, Calyon, as Security Agent, and the Lenders named therein. 10.8 Security Agreement for the Assignment of Receivables dated as of December 7, 2005 by and among Antargaz, as Assignor, Calyon, as Security Agent, and the Lenders named therein. 31.1 Certification by the Chief Executive Officer relating to the Registrant's Report on Form 10-Q for the quarter ended December 31, 2005, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. 31.2 Certification by the Chief Financial Officer relating to the Registrant's Report on Form 10-Q for the quarter ended December 31, 2005, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. 32 Certification by the Chief Executive Officer and the Chief Financial Officer relating to the Registrant's Report on Form 10-Q for the quarter ended December 31, 2005, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Dated 7 December 2005

AGZ HOLDING  
as Parent

THE COMPANIES NAMED HEREIN  
as Borrowers and/or Guarantors

THE ENTITIES NAMED HEREIN  
as Lenders

CALYON  
as Mandated Lead Arranger

CALYON  
as Facility Agent

CALYON  
as Security Agent

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SENIOR FACILITIES AGREEMENT

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SHEARMAN & STERLING LLP

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THIS FACILITIES AGREEMENT is made on 7 December 2005

BETWEEN:

- (1) AGZ HOLDING (a company incorporated in France as a societe anonyme with registered number 413 765 108 RCS Nanterre) (the "PARENT");
- (2) ANTARGAZ (a company incorporated in France as a societe anonyme with registered number 572 126 043 RCS Nanterre) ("ANTARGAZ");
- (3) CALYON as mandated lead arranger (the "ARRANGER");
- (4) THE FINANCIAL INSTITUTIONS listed in schedule 1 as Lenders;
- (5) CALYON in its capacity as facility agent for the Lenders under the Senior Finance Documents (the "FACILITY AGENT"); and
- (6) CALYON in its capacity as agent for the Finance Parties under the Security Documents (the "SECURITY AGENT").

WHEREAS:

The Parent has requested the Lenders to make available to it a EUR 380,000,000 Term Facility for the purpose of discharging indebtedness under the Existing Term Facility (as defined below) and the Intra-Group Bonds and High Yield Notes (as defined below) and for other general corporate purposes and the Parent and Antargaz have requested the Lenders to make available to them and to other Borrowers (as defined below) a EUR 50,000,000 Revolving Facility.

THE PARTIES TO THIS AGREEMENT AGREE as follows:

1. INTERPRETATION

1.1 DEFINITIONS

In this agreement:

"ACCESSION DOCUMENT" means an agreement substantially in the form set out in schedule 6 under which a Group Company becomes a Borrower and/or a Guarantor;

"ACCOUNTING HALF-YEAR" means each period of approximately 26 weeks ending on the last day of September and March in a Financial Year;

"ADVANCES" means the Term Advance and the Revolving Advances;

"AFFILIATE" means a Subsidiary or a Holding Company of another person or any other Subsidiary of a Holding Company of that other person;

"AGENTS" means the Facility Agent and the Security Agent;

"ANNUAL ACCOUNTS" means the audited annual accounts of the Group delivered or to be delivered to the Facility Agent under clause 19.10(c)(i) (Financial statements);

"ANNUAL MANAGEMENT ACCOUNTS" means the annual consolidated management accounts (before audit) of the Group delivered or to be delivered to the Facility Agent under clause 19.10(c)(i) (Financial statements);

"APPROVED ACCOUNTING PRINCIPLES" means French gaap and, subject to those principles, the accounting principles, standards and practices on the basis of which the Original Audited Accounts were prepared;

"APPROVED PROJECTIONS" means the financial projections and forecast for the business of the Group in the agreed form prepared on a basis consistent with the Approved Accounting Principles;

"AUDITORS" means PricewaterhouseCoopers and Ernst & Young and/or any other firm of accountants which the Parent appoints in accordance with clause 19.10(b) (Books of account and auditors);

"AVAILABILITY PERIOD" means the period starting on the Signing Date and ending:

(a) on 31 January 2006 (inclusive) in the case of the Term Facility, and

(b) one month before the Revolving Facility Repayment Date in the case of the Revolving Facility;

"BANK GUARANTEE" means a guarantee or letter of credit issued by an Issuing Lender under the Revolving Facility in the form agreed by the Parent, the Facility Agent and the relevant Issuing Lender;

"BENEFICIARY" means the person approved by the relevant Issuing Lender in whose favour a Bank Guarantee has been or is to be issued;

"BORROWERS" means the Parent, Antargaz and each other Group Company which becomes a borrower under this agreement in accordance with clause 17.1 (Additional Borrowers);

"BUSINESS DAY" means a day (other than a Saturday or a Sunday) on which banks and financial markets are open in Paris and London for the transaction of business of the nature required by this agreement and:

(a) in relation to a transaction involving Euros, a day which is a Target Day; and

(b) in relation to a transaction involving the Optional Currency, a day on which banks and financial institutions are open in the principal financial centre of the country of the Optional Currency;

"CASH COLLATERAL ACCOUNT" means an account with the Security Agent opened in the name of an Obligor into which amounts are to be paid for the purposes of clause 1.4 (Cash cover) and over which the Security Agent has or shall have a first priority security interest under the Security Documents;

"CASH EQUIVALENTS" has the meaning given to it in clause 19.12 (Financial definitions);

"CERTAIN FUNDS PERIOD" means the period commencing on the Signing Date and ending on the earlier of (a) the first Drawdown Date (inclusive) and (b) the last day of the Availability Period of the Term Facility (inclusive);

"COMMITMENT" means, in relation to a Lender, its Term Commitment or its Revolving Commitment;

"CONSTITUTIONAL DOCUMENTS" means the statuts and k-bis of the Parent in the agreed form;

"CONTINGENT LIABILITY" means:

- (a) the maximum actual and/or contingent liability of an Issuing Lender under a Bank Guarantee at any time; or
- (b) the maximum actual and/or contingent liability of a Lender in relation to a Bank Guarantee at any time under clause 6.4(b) (Indemnities);

"CORE BUSINESS" means the existing core business of the Group as at the Signing Date, consisting of (i) the purchase, storage, transport and distribution of gas and liquefied petroleum gas (including butane and propane-based LPG and their substitutes and derivatives, (ii) the manufacture, trade and repairing of equipment relating to the making, storage, transport, distribution and use of gas and liquefied petroleum gas (including butane and propane-based LPG) and their substitutes and derivatives, (iii) the purchase and sale of patents, licences, manufacturing processes, trademarks and factory models and designs in connection with (i) and (ii) and (iv) all other ancillary and related activities in relation to (i) to (iii);

"DEFAULT" means an Event of Default or a Potential Event of Default;

"DERIVATIVE INSTRUMENT" means any forward rate agreement, option, swap, cap, floor, any combination or hybrid of the foregoing and any other financial derivative agreement;

"DISTRIBUTION COMPANIES" means the companies and other corporate entities listed in part 1 of schedule 9;

"DRAWDOWN DATE" means the date for the making of a Drawing, as specified by the relevant Borrower in the relevant Drawdown Request;

"DRAWDOWN REQUEST" means a notice requesting an Advance or the issue of a Bank Guarantee in the form set out in part 1 or 2 (as appropriate) of schedule 4;

"DRAWING" means a utilisation by a Borrower of a Facility;

"EBITDA" has the meaning given to it in clause 19.12 (Financial definitions);

"ENVIRONMENT" means any and all living organisms (including man), ecosystems, gases, air, vapours, liquids, water, land, surface and sub-surface soils, rock and all other natural resources or part of such resources, including artificial or man-made buildings, structures or enclosures;

"ENVIRONMENTAL APPROVAL" means any consent required under or in relation to Environmental Laws;

"ENVIRONMENTAL LAWS" means all international, European Union, national, federal, state or local statutes, orders, regulations or other law or subordinate legislation or common law or guidance notes or regulatory codes of practice, circulars and equivalent controls (including judicial interpretation of any of the foregoing) concerning the Environment or health and safety which are in existence now or in the future and are binding at any time on any Group Company in the relevant jurisdiction in which that Group Company has been or is operating (including by the export of its products or its waste to that jurisdiction);

"EONIA" means in relation to a Business Day and any amount in Euro:

- (a) the overnight rate per annum calculated by the European Banking Federation for the relevant Business Day which appears on Telerate Screen page 247 or any other service which displays such rate which the Facility Agent, after consultation with the Lenders and the Parent, selects; or

- (b) if the rate referred to in paragraph (a) above is not available for that Business Day, the arithmetic mean of the rates (rounded upwards to four decimals places) as supplied to the Facility Agent at its request quoted by the Reference Banks to the leading banks in the European interbank market;

at or about 7.00 pm (Brussels time) on such day for offering of deposits in Euro for the period from one Business Day to the immediately following Business Day;

"EQUITY CONTRIBUTION" means:

- (a) any increase in the share capital of the Parent by way of cash contribution; or
- (b) the incurrence by the Parent of Financial Indebtedness provided to it pursuant to an unsecured loan or other debt or debt equity instrument in each case deeply subordinated (with capitalised interests) on terms acceptable to the Facility Agent acting reasonably;

"EURIBOR" means, in relation to any Advance or overdue amount in Euro, the rate per annum equal to the offered quotation which appears on Telerate Screen page 248 (or any replacement page on that service) as of 11.00 am on the applicable Rate Fixing Day for a period comparable to its Interest Period or, if no Telerate service is available, on any other service which displays an average European Banking Federation Interest Settlement Rate for Euro which the Facility Agent, after consultation with the Lenders and the Parent, selects;

"EURO", "EUR" and "E" means the single currency of the Participating Member States of the European Union;

"EURO EQUIVALENT" means, in relation to an amount denominated in a currency other than Euro, the amount of that currency converted into the relevant amount of Euros at the Euro Spot Rate;

"EURO SPOT RATE" means the spot rate of exchange of the Facility Agent (as determined by the Facility Agent) for the purchase of the aggregate amount of Euros with a currency other than Euro in the European foreign exchange market in the ordinary course of business at or about 10:00 am on a particular day;

"EVENT OF DEFAULT" means any event specified in clause 20.1 (List of events);

"EXISTING FACILITIES" means the Existing Term Facility and the Existing Revolving Facility;

"EXISTING FACILITIES AGREEMENT" means the senior facilities agreement dated 26 June 2003, as amended and restated on 2 July 2003 and as amended on 1 August 2003, 15 January 2004 and 18 June 2004 between, inter alia, the Parent, Antargaz, the lenders named therein and Calyon as facility agent and security agent in relation to the Existing Facilities;

"EXISTING REVOLVING FACILITY" means the revolving credit facility in the principal amount of EUR 50,000,000 granted to the Borrowers under the Existing Facilities Agreement;

"EXISTING TERM FACILITY" means the term facilities in the initial principal amount of EUR 220,000,000 granted to the Parent under the Existing Facilities Agreement;

"EXISTING INDEBTEDNESS" means the Existing Facilities, the High Yield Notes and the Intra-Group Bonds;

"FACILITIES" means the Term Facility and the Revolving Facility;



"FEES LETTER" means the letter from the Facility Agent to the Parent dated on or about the Signing Date setting out details of certain fees payable by the Parent in connection with the Facilities;

"FINANCE DOCUMENTS" means the Senior Finance Documents, the High Yield Documents and the Intra-Group Bond Documents;

"FINANCE PARTIES" means the Arranger, each Agent, each Lender and each Issuing Lender;

"FINANCIAL INDEBTEDNESS" means (without double counting) any indebtedness in relation to or arising under or in connection with:

- (a) any money borrowed (including any overdraft);
- (b) any debenture, bond (other than a performance bond issued in the ordinary course of trading by one Group Company in relation to the obligations of another Group Company), note or loan stock or other similar instrument;
- (c) any acceptance or documentary credit;
- (d) any receivable sold or discounted (other than to the Security Agent pursuant to any Security Document) provided that, for the purposes of any calculation of the amount of Financial Indebtedness, the amount of indebtedness to be taken into account under this paragraph (d) will be the amount of the consideration received by the relevant Group Company for the sale or discounting of the relevant receivable;
- (e) the purchase price of any asset or service to the extent payable by a Group Company after the time of sale or delivery to a Group Company, where the deferred payment is:
  - (i) arranged as a method of raising vendor financing; and
  - (ii) paid more than six months after the sale or delivery date;
- (f) the sale price of any asset or service to the extent paid before the time of sale or delivery by the Group Company liable to effect that sale or delivery, where the advance payment is arranged as a method of raising finance;
- (g) any finance lease, hire purchase, credit sale or conditional sale agreement which in each case would be treated as such in accordance with French gaap;
- (h) Derivative Instruments (provided that, for the purpose of any calculation of the amount of Financial Indebtedness to be taken into account under this paragraph (h) in respect of the relevant Derivative Instrument, that amount shall be the net amount of the payment obligations outstanding from the relevant Group Company under that Derivative Instrument, less the amount of any margin then placed by that Group Company with the relevant counterparty in connection with that Derivative Instrument);
- (i) any amount payable by any Obligor in relation to the reduction of any share capital or redemption of any securities issued by it or any other Group Company, other than amounts payable to another Obligor;
- (j) any amount raised under any other transaction having the commercial effect of a borrowing (other than refundable deposits payable and consigned containers accrual liability); or
- (k) any guarantee issued by a Group Company of indebtedness of any person of a type referred to in paragraphs (a) to (j) (inclusive) above;

for the avoidance of doubt, the amount of indebtedness to be taken into account for the purpose of any calculation of the amount of Financial Indebtedness shall not double-count guarantees granted by any Group Company in respect of Financial Indebtedness incurred by any Group Company and will not include guarantees of obligations incurred by any Group Company which obligations do not constitute indebtedness of a type referred to in paragraphs (a) to (j) (inclusive) above;

"FINANCIAL YEAR" means the period of 12 months ending on 30 September in each year;

"FINCO" means AGZ Finance, a company incorporated under the laws of the Grand Duchy Luxembourg as a société anonyme with registered number RC Luxembourg B 87.750;

"FRENCH GAAP" means accounting principles, standards and practices generally accepted from time to time in France;

"FINAL REFINANCING DATE" means the date of full redemption of the High Yield Notes and the Intra-Group Bonds which shall not be later than the 60th day following the first Drawdown Date;

"GEOGAZ" has the meaning given to it in part 2 of schedule 9;

"GEOVEXIN" has the meaning given to it in part 2 of schedule 9;

"GROUP" means the Parent and its Subsidiaries from time to time;

"GROUP COMPANY" means a member of the Group;

"GROUPEMENT DONGES" means the groupement d'intérêts économiques Groupement Donges which has been established by Total and Antargaz pursuant to the Principal Supply Agreement referred to in part 1 of schedule 10;

"GUARANTORS" means the Parent, Antargaz and each other Group Company which becomes a guarantor under this agreement;

"HALF-YEAR ACCOUNTS" means the semi-annual consolidated management accounts of the Group delivered or to be delivered to the Facility Agent under clause 19.10(c)(ii)(Financial statements);

"HEDGING AGREEMENTS" means Derivative Instruments entered into with the Hedging Lenders for the purpose of managing or hedging currency and/or interest rate risk in relation to the Term Facility;

"HEDGING LENDER" means a Lender (or an Affiliate of a Lender) or an entity that is a party to an existing derivative instrument entered into by the Parent in relation to the Existing Term Facility, in its capacity as provider of currency and/or interest rate hedging under any Hedging Agreement;

"HIGH YIELD DOCUMENTS" means the High Yield Trust Deed, the High Yield Notes and all other documents evidencing the terms of the High Yield Notes and any other document or agreement entered into or executed pursuant thereto or in connection therewith;

"HIGH YIELD GUARANTEE" means the subordinated guarantee set out in the High Yield Trust Deed and provided by the Parent in favour of the High Yield Trustee and the holders of the High Yield Notes pursuant to which the Parent guarantees the obligations of Finco under the High Yield Notes;

"HIGH YIELD NOTES" means the high yield notes issued on 23 July 2002 by Finco in an aggregate principal amount of EUR 165,000,000, bearing interest at the rate of 10 per cent. per annum payable semi-annually on 15 January and 15 July in each year, and maturing on 15 July 2011, the proceeds of

which have been made available to the Parent through the subscription by Finco of the Intra-Group Bonds in accordance with the Intra-Group Bond Documents;

"HIGH YIELD TRUST DEED" means the trust deed and/or other instrument pursuant to which the High Yield Notes have been issued;

"HIGH YIELD TRUSTEE" means the trustee appointed on behalf of the holders of the High Yield Notes pursuant to the High Yield Trust Deed;

"HOLDING COMPANY" means, in relation to any body corporate, any other body corporate of which it is a Subsidiary;

"INTELLECTUAL PROPERTY" means the Intellectual Property Rights owned or used by Group Companies throughout the world or the interests of any Group Company in any of those Intellectual Property Rights, together with the benefit of all agreements entered into or the benefit of which is enjoyed by any Group Company relating to the use or exploitation of any of those Intellectual Property Rights;

"INTELLECTUAL PROPERTY RIGHTS" means all patents and patent applications, trade and service marks and trade and/or service mark applications (and all goodwill associated with any such applications), all brand and trade names, all copyrights and rights in the nature of copyright, all design rights, all registered designs and applications for registered designs, all trade secrets, know-how and all other intellectual property rights;

"INTERCREDITOR AGREEMENT" means the intercreditor agreement dated on or before the first Drawdown Date entered into between, amongst others, each of the parties to the Senior Finance Documents, Finco and the Parent;

"INTEREST PERIOD" means a period by reference to which interest is calculated and payable on an Advance or overdue amount;

"INTRA-GROUP BOND DOCUMENTS" means the Intra-Group Bonds, the terms and conditions of the Intra-Group Bonds set out in the Parent's Board resolution having decided on their issue and all related and ancillary documents;

"INTRA-GROUP BONDS" means the subordinated bonds issued by the Parent to Finco in an aggregate principal amount equal to the aggregate principal amount of the High Yield Notes;

"INVESTMENT AMOUNT" means the aggregate (without double-counting) of the following amounts:

- (a) any amount advanced, lent, contributed or subscribed for, or otherwise invested in, a Joint Venture by any Group Company during any Financial Year;
- (b) the market value of any asset transferred (other than by way of a transfer otherwise permitted under this agreement) or contributed to a Joint Venture by any Group Company during any Financial Year; and
- (c) the maximum liability under any guarantee given by any Group Company during any Financial Year in respect of any Financial Indebtedness incurred (whether by way of guarantee or otherwise) by a Joint Venture;

"ISSUING LENDER" means any Lender in its capacity as issuer of a Bank Guarantee;

"JOINT VENTURE" means any joint venture, partnership or similar arrangement (including any Groupement d'intérêts économiques) or any company of which the Parent directly or indirectly owns

some (but not all or substantially all) of the equity share capital (but excluding for the avoidance of doubt any Distribution Company));

"LENDERS" means the Term Lenders and the Revolving Lenders;

"LENDING OFFICE" means the office through which a Lender is acting for the purposes of this agreement, which, subject to clause 3.2 (Lending Office), will be the office set opposite the name of that Lender in schedule 1 (or in any relevant Transfer Certificate);

"LIBOR" means, in relation to any Advance or overdue amount in the Optional Currency, the rate per annum equal to the offered quotation which appears on Telerate Screen page 3740 (or any replacement page on that service) as of 11.00 am (London time) on the applicable Rate Fixing Day for the Optional Currency for a period comparable to its Interest Period or, if no Telerate service is available, on any other service which displays British Bankers Association Interest Settlement Rate for the Optional Currency which the Facility Agent, after consultation with the Lenders and the Parent, selects;

"MAJORITY LENDERS" means, at any time:

- (a) Lenders whose aggregate Commitments at that time aggregate more than 66.66 per cent. of the Total Commitments at that time; or
- (b) if the Total Commitments have at that time been reduced to zero, Lenders whose Commitments aggregated more than 66.66 per cent. of the Total Commitments immediately before the relevant reduction;

"MANDATORY COST" means the percentage rate per annum calculated by the Facility Agent in accordance with Schedule 11 (Mandatory Cost Formulae);

"MARGIN" means:

- (a) in relation to the Term Facility, 0.80 per cent. per annum, subject to clause 7.6 (Margin adjustment);
- (b) in relation to the Revolving Facility, 0.80 per cent. per annum, subject to clause 7.6 (Margin adjustment);

"MATERIAL ADVERSE EFFECT" means any effect, event or matter:

- (a) which is materially adverse to:
  - (i) the business, assets or financial condition of the Group (taken as a whole); and
  - (ii) the ability of any Obligor to perform any of its payment obligations under any Senior Finance Document or any of its obligations under clause 19.11 (Financial Covenant - Leverage Ratio); or
- (b) which results in any Security Document not providing to the Security Agent security over the assets expressed to be secured under that Security Document;

"MATERIAL COMPANY" means:

- (a) each Obligor (other than the Parent), Finco, each Distribution Company which is marked as "Material Company" in part 1 of Schedule 9 and each Storage and Logistics Company which is marked as "Material Company" in part 2 of Schedule 9; and

(b) any other Group Company (other than the Parent) whose profits, sales or gross assets exceed five per cent. of the consolidated profits, sales or gross assets (as the case of may be) of the Group and, for this purpose, the calculation of profits, sales or gross assets shall:

(i) be made in accordance with the Approved Accounting Principles;

(ii) in the case of a company which itself has Subsidiaries, be made by using the consolidated profits, consolidated sales or consolidated gross assets (as the case may be) of it and its Subsidiaries; and

(iii) be made by reference to:

(A) the latest accounts of the relevant Subsidiary used for the purposes of the then latest Annual Accounts; and

(B) the then latest Annual Accounts;

"MATERIAL CONTRACTS" means the Supply Agreements and the agreements set out in part 2 of schedule 10;

"MATURITY DATE" means the last day of an Interest Period for a Revolving Advance;

"NET PROCEEDS" means the aggregate consideration received by any Group Company in relation to the disposal of all or any part of the assets of any Group Company (including the amount of any inter-company debt of any Group Company disposed of which is repaid in connection with that disposal), but after deducting all Taxes and other reasonable costs and expenses incurred by continuing Group Companies in connection with that disposal;

"OBLIGORS" means each Borrower and each Guarantor;

"OPERATING BUDGET" means a budget, in such form and content as the Facility Agent shall reasonably require, comprising projected balance sheet, projected profit and loss account and projected cashflow statement (including details of projected capital expenditure) for the Group and forecast of the likely financial performance of the Group for a Financial Year, delivered under clause 19.10 (Information and accounting undertakings);

"OPTIONAL CURRENCY" means USD;

"ORIGINAL AUDITED ACCOUNTS" means the audited consolidated accounts of the Group for the Financial Year ending 30 September 2005;

"ORIGINAL MANAGEMENT ACCOUNTS" means the consolidated management accounts of the Group for the Financial Year ending 30 September 2005;

"PARTICIPATING MEMBER STATES" has the meaning given to it in council Regulation EC No. 1103/97 of 17 June, 1997 made under Article 235 of the Treaty on European Union;

"PARTLY OWNED STORAGE AND LOGISTICS COMPANY" means a Storage and Logistics Company which is not a wholly-owned Subsidiary (whether directly or indirectly) of the Parent;

"PERMITTED ACQUISITION" means any acquisition (the "PROPOSED ACQUISITION") by a Group Company of all the shares in a company or substantially all of the assets of a business, provided that:

(a) the company or the business which is the subject of the Proposed Acquisition carries on a similar or complementary business to that carried on by the Group;

(b) the chief financial officer (or any board member) of the Parent certifies to the Lenders (such certificate to contain calculations in reasonable detail) that the ratio of Total Net Debt to EBITDA of the Group tested by reference to the Testing Period ending on the Testing Date immediately preceding the date on which the Proposed Acquisition is completed but calculated including the Proposed Acquisition and quantifiable synergies from the Proposed Acquisition (such as purchasing synergies) will be no greater than the maximum level for such ratio as at that Testing Date as provided under clause 19.11 (Financial Covenant - Leverage Ratio);

"POTENTIAL EVENT OF DEFAULT" means an event specified in clause 20.1 (Events of Default) which, with the giving of notice, the lapse of time or the making of any determination would constitute an Event of Default;

"QUALIFYING LENDER" means, for the purposes of any Drawing by a Borrower, a bank or financial institution which:

(a) is for the time being participating in that Drawing through a branch, agency or Affiliate in the jurisdiction of residence of that Borrower; or

(b) is resident in a country with which the jurisdiction of residence of the Borrower has an appropriate double taxation treaty which, under its terms, provides at the date on which that bank or financial institution becomes a Lender for full relief from that jurisdiction's income tax on that jurisdiction's source interest for an entity such as that bank or other financial institution when acting through the branch, agency or Affiliate through which it is acting for the purposes of that Drawing;

"RATE FIXING DAY" means, in relation to any period for which EURIBOR or LIBOR is to be determined:

(a) in the use of EURIBOR, two Target Days before the first day of that period, or

(b) in the use of LIBOR, two Business Days before the first day of that period;

unless market practice differs in the relevant interbank market for a currency, in which case the Rate Fixing Day for that currency will be determined by the Facility Agent in accordance with market practice in the relevant interbank market;

"RECEIVABLES" means, in relation to a Borrower, at any time, the unpaid portions of the obligations of any trade debtor of that Borrower in respect of the supply of goods or services by that Borrower;

"REFINANCING" means the refinancing of the Existing Indebtedness;

"REFINANCING CASH COLLATERAL ACCOUNT" means the cash collateral account (compte de gage-especes) opened in the name of the Security Agent into which the portion of the Term Advance which is not applied on the first Drawdown Date as per paragraphs (i) and (ii) of clause 5.2(f) (Content of Drawdown Requests) is to be paid. The amount credited on the Refinancing Cash Collateral Account shall be released in accordance with the provisions of the cash collateral agreement relating thereto either:

(a) by direct transfers:

(i) on the Business Day immediately preceding the Final Refinancing Date: (A) to the Principal Paying Agent (as defined in the High Yield Trust Deed), of an amount equal

to the redemption price payable for the full redemption of the High Yield Notes together with all accrued interests, premiums and other amounts, (B) to Finco, of the remaining amount (in addition to the amount referred to in (A)) payable for the full redemption of the Intra-Group Bonds together with all accrued interests, premiums and other amounts: and

- (ii) on the Business Day following the date on which the Security Agent has received from the Parent evidence of cancellation of the High Yield Notes and a pay-off letter in respect of the Intra-Group Bonds: to the Parent of the balance of the Refinancing Cash Collateral Account; or

- (b) for application to the prepayment of amounts due by the Parent under this Agreement if the mandatory prepayment referred to in clause 11.6 (Final Refinancing Date) becomes due and payable;

"REFINANCING COSTS" means all fees, costs and expenses incurred by the Group for the purpose of or in connection with the Refinancing;

"REPAYMENT DATES" means the Term Final Repayment Date and the Revolving Facility Repayment Date;

"REVOLVING ADVANCE" means the principal amount of each advance made or to be made under the Revolving Facility, as reduced from time to time by repayment or prepayment;

"REVOLVING COMMITMENT" means:

- (a) in relation to a Lender identified in schedule 1, the amount set opposite its name under the heading "Revolving Commitment" in schedule 1 and the amount of any other Revolving Commitment transferred to it under this agreement; or

- (b) in relation to any other Lender, the amount of any Revolving Commitment transferred to it under this agreement,

to the extent not cancelled, reduced or transferred by it under this agreement;

"REVOLVING FACILITY" means the revolving credit facility made available by the Revolving Lenders under clause 2.1(b) (Facilities);

"REVOLVING FACILITY REPAYMENT DATE" means 31 March 2011;

"REVOLVING LENDERS" means:

- (a) the persons identified in schedule 1 as participating in the Revolving Facility; and
- (b) each Transferee which has become a party to this agreement in relation to the Revolving Facility in accordance with clause 26 (Changes to parties),

in each case until its entire participation in the Revolving Facility has been assigned or transferred to a Transferee in accordance with clause 26 (Changes to parties) and all amounts owing to it under the Senior Finance Documents in relation to the Revolving Facility have been paid in full;

"RHONE GAZ" has the meaning given to it in part 2 of schedule 9;

"SECURITY DOCUMENTS" means each of the security documents specified in schedule 2 and all other documents creating, evidencing or granting a Security Interest in favour of any Finance Party in relation to the obligations of any Obligor under any Senior Finance Document;

"SECURITY INTEREST" means any mortgage, pledge, lien, right of set-off, assignment by way of security, reservation of title, any other security interest or any other agreement or arrangement (including a sale and repurchase arrangement) having the commercial effect of conferring security;

"SENIOR FINANCE DOCUMENTS" means this agreement, each Security Document, the Intercreditor Agreement, each Accession Document, each Transfer Certificate, the Fees Letter, the subordination provisions expressed to be given for the benefit of the Finance Parties in the High Yield Documents and any other document designated as a Senior Finance Document by the Parent and the Facility Agent;

"SENIOR MANAGEMENT TEAM" means Mr. Francois Varagne and Mr. Yves de Gerard;

"SERVICE CONTRACTS" means the contracts of employment made between Antargaz and each member of the Senior Management Team;

"SIGNING DATE" means the date of this agreement;

"SOBEGAL" has the meaning given to it in part 2 of schedule 9;

"STORAGE AND LOGISTICS COMPANIES" means the companies and other corporate entities listed in part 2 of schedule 9;

"SUBSIDIARY" means:

- (a) an entity of which a company or other entity has from time to time direct or indirect control (as defined in article L.233-3 paragraphs I and II of the French Commercial Code (as in force at the date of this agreement)); or
- (b) any other company or other entity in respect of which, in accordance with the Approved Accounting Principles, the assets, liabilities, income and expenses are added to those of the Parent in accordance with the full consolidation method for the purposes of the preparation of consolidated financial statements of the Parent;

"SUPPLY AGREEMENTS" means the agreements set out in part 1 of schedule 10;

"SYNDICATION DATE" means the earlier of:

- (a) the date the Facility Agent notifies the Parent and the other Finance Parties that primary syndication has been completed; and
- (b) the date falling 90 days after the first Drawdown Date;

"SYNDICATION MEMORANDUM" has the meaning given to it in clause 3.4(a) (Syndication);

"TARGET DAY" means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer system is operating;

"TAXES" means all present and future income and other taxes, levies, assessments, imposts, deductions, charges, duties, compulsory loans and withholdings (wherever imposed) and any charges in the nature of taxation together with interest thereon and penalties and fines in relation thereto, if any, and any payments made on or in relation thereof and "TAXATION" shall be construed accordingly;



"TAX CONSOLIDATION AGREEMENT" means the tax consolidation agreement in French language called convention d'integration fiscale dated 18 June 2004 and as amended from time to time, between UGI Bordeaux and its Subsidiaries;

"TERM ADVANCE" means the principal amount of the advance made or to be made under the Term Facility, as reduced from time to time by repayment or prepayment;

"TERM COMMITMENT" means:

- (a) in relation to a Lender identified in schedule 1, the amount set opposite its name under the heading "Term Commitment" in schedule 1 and the amount of any other Term Commitment transferred to it under this agreement; or
  - (b) in relation to any other Lender, the amount of any Term Commitment transferred to it under this agreement,
- to the extent not cancelled, reduced or transferred by it under this agreement;

"TERM FACILITY" means the term loan facility made available by the Term Lenders under clause 2.1(a) (Facilities);

"TERM FINAL REPAYMENT DATE" means 31 March 2011;

"TERM LENDERS" means:

- (a) the persons identified in schedule 1 as participating in the Term Facility; and
- (b) each Transferee which has become a party to this agreement in relation to the Term Facility in accordance with clause 26 (Changes to parties),

in each case until its entire participation in the Term Facility has been assigned, cancelled or transferred to a Transferee in accordance with clause 26 (Changes to parties) and all amounts owing to it under the Senior Finance Documents in relation to the Term Facility have been paid in full;

"TOTAL COMMITMENTS" means the aggregate of all the Commitments at any time;

"TRANSFER CERTIFICATE" means a certificate substantially in the form set out in part 1 of schedule 5;

"TRANSFeree" has the meaning given to it in clause 26.2(a) (Assignments and transfers by Lenders);

"TREATY ON EUROPEAN UNION" means the Treaty of Rome signed on 25 March 1957 as amended by the Single European Act 1986 and the Maastricht Treaty signed on 7 February 1992;

"UGI" means UGI Corporation or any of its Affiliates;

"UGI BORDEAUX" means UGI Bordeaux Holding, a French societe par actions simplifiee, with a share capital of E85,568,435, having its registered office at 3 place de Saverne, Immeuble Les Renardieres, 92400 Courbevoie, registered under number 452 431 232 RCS Nanterre;

"UGI BORDEAUX LETTER OF UNDERTAKINGS" means the letter to be executed by UGI Bordeaux Holding prior to the first Drawdown Date and addressed to the Parent and the Facility Agent, acting on behalf of the Lenders, whereby UGI Bordeaux undertakes to make certain payments to the Parent in connection with the Tax Consolidation Agreement;

"USD DOLLAR", "DOLLAR" or "USD" means the lawful currency for the time being of the United States of America; and

"WARRANTY AGREEMENT" means the warranty agreement (convention de garantie) dated 16 February 2001, as amended on 22 August 2001, made between Total and the Parent in relation to the acquisition of Antargaz by the Parent.

## 1.2 CONSTRUCTION

In this agreement, unless a contrary intention appears, a reference to:

- (a) a document being "IN THE AGREED FORM" means in a form agreed between the Parent and the Facility Agent;
  - (b) an "AGREEMENT" includes any legally binding arrangement, concession, contract, deed or franchise (in each case whether oral or written);
  - (c) an "AMENDMENT" includes any amendment, supplement, variation, novation, modification, replacement or restatement and "amend", "AMENDING" and "AMENDED" shall be construed accordingly;
  - (d) "ASSETS" includes property, business, undertaking and rights of every kind, present, future and contingent (including uncalled share capital) and every kind of interest in an asset;
  - (e) a "CONSENT" includes an authorisation, approval, exemption, licence, order, permission or waiver;
  - (f) a "FILING" includes any filing, registration, recording or notice;
    - (g) a "GUARANTEE" includes:
      - (i) an indemnity;
      - (ii) a cautionnement simple, a cautionnement solidaire and a garantie autonome; and
      - (iii) any other obligation (whatever called) of any person:
        - (A) to pay, purchase, provide funds (whether by the advance of money, the purchase of or subscription for shares or other investments, the purchase of assets or services, the making of payments under an agreement or otherwise) for the payment of, indemnify against the consequences of default in the payment of, or otherwise be responsible for, any indebtedness of any other person; or
        - (B) to be responsible for the performance of any obligations by or the solvency of any other person,
- and "GUARANTEED" and "GUARANTOR" shall be construed accordingly;
- (h) "INCLUDING" means including without limitation and "INCLUDES" and "INCLUDED" shall be construed accordingly;
  - (i) "INDEBTEDNESS" includes any obligation (whether incurred as principal, guarantor or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

- (j) "LOSSES" includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and "LOSS" shall be construed accordingly;
- (k) a "MONTH" means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:
  - (i) if any such period would otherwise end on a day which is not a Business Day, it shall end on the next Business Day in the same calendar month or, if none, on the preceding Business Day; and
  - (ii) if a period starts on the last Business Day in a calendar month, or if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that later month,
 and references to "MONTHS" shall be construed accordingly;
- (l) a "PERSON" includes any person, individual, firm, company, corporation, government, state or agency of a state or any undertaking or other association (whether or not having separate legal personality) or any two or more of the foregoing;
- (m) a "REGULATION" includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental body, agency, department or regulatory, self-regulatory or other authority or organisation; and
- (n) the "WINDING-UP" of any person includes its dissolution and/or termination and/or any equivalent or analogous proceedings under the law of any jurisdiction in which that person is incorporated, registered, established or carries on business or to which that person is subject.

### 1.3 OTHER REFERENCES

In this agreement, unless a contrary intention appears:

- (a) a reference to any person is, where relevant, deemed to be a reference to or to include, as appropriate, that person's successors and permitted assignees or transferees;
- (b) references to clauses and schedules are references to, respectively, clauses of and schedules to this agreement and references to this agreement include its schedules;
- (c) a reference to (or to any specified provision of) any agreement or document (including the Senior Finance Documents) is to be construed as a reference to that agreement or document (or that provision) as it may be amended from time to time, but excluding for this purpose any amendment which is contrary to any provision of any Senior Finance Document;
- (d) a reference to a statute, statutory instrument or accounting standard or any provision thereof is to be construed as a reference to that statute, statutory instrument or accounting standard or such provision thereof, as it may be amended or re-enacted from time to time;
  - (e) a time of day is a reference to Paris time;
- (f) the index to and the headings in this agreement are inserted for convenience only and are to be ignored in construing this agreement; and
- (g) words importing the plural shall include the singular and vice versa.

#### 1.4 CASH COVER

- (a) If a Borrower is obliged under this agreement to repay or prepay or provide cash cover in relation to any contingent liability under a Bank Guarantee, that Borrower shall, on the date for that repayment, prepayment or provision of cash cover:
  - (i) by agreement with the relevant Beneficiary, reduce that contingent liability by the relevant amount; or
  - (ii) pay the relevant amount to the credit of a Cash Collateral Account.
- (b) Any amounts standing to the credit of any Cash Collateral Account shall bear interest at the rate normally offered to corporate depositors on similar deposits by the Finance Party with which that account is held.

#### 1.5 CURRENCY CONVERSION

For the purposes of the Senior Finance Documents (other than clauses 19.11 (Financial Covenant - Leverage Ratio) to 19.14 (Calculation adjustments) (inclusive)), if a Euro amount needs to be determined, any amount which is denominated in a currency other than Euro will be converted into Euro using the Euro Spot Rate on that date.

### 2. THE FACILITIES

#### 2.1 FACILITIES

Subject to the other provisions of this agreement:

- (a) the Term Lenders agree to make available to the Parent, a term loan facility in a maximum aggregate principal amount not exceeding EUR 380,000,000, which shall be available by way of a single Term Advance in Euro;
- (b) the Revolving Lenders agree to make available to the Borrowers a revolving credit facility in a maximum aggregate principal amount not exceeding EUR 50,000,000 (or its equivalent in the Optional Currency), which shall be available by way of Revolving Advances and Bank Guarantees in Euro and/or the Optional Currency).

#### 2.2 PURPOSE

- (a) The proceeds of the Term Advance shall be applied in or towards discharging existing indebtedness of the Parent under:
  - (i) the Existing Term Facility; and
  - (ii) the Intra-Group Bonds (so as to allow Finco to discharge its existing indebtedness under the High Yield Notes); and
  - (iii) other general corporate purposes (including payment of the Refinancing Costs).
- (b) The proceeds of the Revolving Advances and each Bank Guarantee shall be used for the working capital requirements and other general corporate purposes of Group Companies arising after the first Drawdown Date (excluding any payment of the purchase price for the assets acquired in accordance with clause 19.4 (Acquisition and investment undertakings)), provided however that a Revolving Advance may be drawn down by the Parent or Antargaz (as the case may be) on the first Drawdown Date for the purpose of discharging existing

indebtedness of the Parent or Antargaz (as the case may be) under the Existing Revolving Facility.

- (c) No Finance Party shall be obliged to enquire about, or be responsible for, the use or application of amounts borrowed under this agreement.

### 2.3 PARENT AS OBLIGORS' AGENT

Each Obligor irrevocably appoints the Parent as its agent for the purpose of:

- (a) executing and delivering on its behalf any Accession Document and any other agreement or document capable of being entered into by that Obligor under or in connection with the Senior Finance Documents;
- (b) giving and receiving any notice or instruction under or in connection with any Senior Finance Document (including any Drawdown Request); and
- (c) agreeing and executing all consents, waivers, agreements and amendments (however fundamental and notwithstanding any increase in obligations of or other effect on an Obligor) entered into in connection with the Senior Finance Documents (including confirmation of continuation of guarantee obligations in connection with any amendment or consent in relation to the Facilities).

The appointment of the Parent as the agent of an Obligor for any purpose set out above does not prevent that Obligor from taking the relevant action in its own name.

## 3. PARTICIPATION OF LENDERS

### 3.1 BASIS OF PARTICIPATION

Subject to the other provisions of this agreement:

- (a) each relevant Lender will participate in the Term Advance in the proportion which its Term Commitment bears to the total Commitments in relation to the Term Facility as at the relevant Drawdown Date; and
- (b) each Revolving Lender will participate in each Drawing of the Revolving Facility (in the case of a Bank Guarantee by way of indemnity in favour of the Issuing Lender under clause 6.4(b) (Indemnities)) in the proportion which its Revolving Commitment bears to the total Commitments in relation to the Revolving Facility as at the relevant Drawdown Date.

### 3.2 LENDING OFFICE

- (a) Each Lender will participate in each Drawing through its Lending Office.
- (b) If any Lender changes its Lending Office for the purpose of the Facilities, that Lender will, as soon as reasonably practicable after that change, notify it to the Facility Agent and the Parent and, until it does so, the Agents and the Parent will be entitled to assume that no such change has taken place.
- (c) Any Lender may nominate a different Lending Office for the purposes of making a particular Drawing or a particular type of Drawing to an Obligor in which event such Lending Office shall be, for the purposes of this agreement, its Lending Office for that Drawing or type of Drawing but not otherwise.

### 3.3 RIGHTS AND OBLIGATIONS OF FINANCE PARTIES

- (a) The rights and obligations of each of the Finance Parties under the Senior Finance Documents are several (conjointes mais non solidaires). The failure by a Finance Party to comply with its obligations under any Senior Finance Document shall not:
  - (i) result in any other Finance Party incurring any liability; or
  - (ii) relieve any Obligor or any other Finance Party from its obligations under the Senior Finance Documents.
- (b) Subject to the other provisions of the Senior Finance Documents, each Finance Party has the right to protect and enforce its rights arising out of the Senior Finance Documents and it will not be necessary for any other Finance Party to be joined as an additional party in any proceedings brought for the purpose of protecting or enforcing those rights.

### 3.4 SYNDICATION

The Facilities are being made available by the Lenders with the intention (but not the obligation) that the Facility Agent should co-ordinate primary syndication. Each Obligor undertakes to assist and co-operate with the Facility Agent in syndication in such a manner and to such an extent as the Facility Agent may reasonably request, including by:

- (a) the preparation, review and approval of a syndication information memorandum in relation to the Group and the business, trading, prospects, financial condition, assets and liabilities of the Group as a whole and of each Group Company;
- (b) participating in presentations to potential Lenders concerning the activities of the Group as a whole and of each Group Company; and
- (c) selecting Interest Periods in relation to Advances no longer than one month in relation to all Advances made on or before the date falling 90 days after the first Drawdown Date.

## 4. CONDITIONS PRECEDENT

### 4.1 INITIAL CONDITIONS PRECEDENT

- (a) The Lenders shall not be under any obligation to make the first Drawing available to any Borrower unless:
  - (i) the Facility Agent has received all of the documents and information specified in schedule 3 (Documentary Conditions Precedent) in form and substance satisfactory to it (acting reasonably) (or the Facility Agent is satisfied that, immediately after the making of the Term Advance to be made on the first Drawdown Date, it will receive those documents and that information in form and substance satisfactory to it (acting reasonably)); and
  - (ii) the relevant funds are available in the relevant money markets to make the relevant Drawing available.
- (b) The Facility Agent shall deliver to the Parent on the Signing Date a letter containing the list of the documents and information specified in schedule 3 (Documentary Conditions Precedent) which it has received in form and substance satisfactory to it on or before the Signing Date.

#### 4.2 FAILURE TO SATISFY INITIAL CONDITIONS PRECEDENT

Except as the Facility Agent (acting on the instructions of all the Lenders) agrees otherwise, if the conditions referred to in clause 4.1 (Initial conditions precedent) have not been fulfilled or waived in writing on or before the last day of the Availability Period for the Term Facility:

- (a) all the Commitments will automatically be cancelled; and
- (b) the Lenders will cease to have any obligation to make any Drawing available.

#### 4.3 ADDITIONAL CONDITIONS PRECEDENT TO DRAWINGS

Subject to clause 4.4 (Rollover Advances) and subject (in respect of the first Drawing) to clause 20.3 (Certain Funds Period), the obligations of the Lenders to make any Drawing available are subject to the conditions precedent that, on both the date of the relevant Drawdown Request and the relevant Drawdown Date:

- (a) no Default has occurred and is continuing or will occur as a result of making that Drawing;
- (b) the representations and warranties set out in clause 18 (Representations and Warranties) which are made or repeated on those dates are true and accurate in all material respects by reference to the facts and circumstances then subsisting and will remain true and accurate in all material respects immediately after that Drawing is made; and
- (c) the relevant funds are available in the relevant money markets to make the relevant Drawing available.

#### 4.4 ROLLOVER ADVANCES

If, in relation to a Revolving Advance (the "ROLLOVER ADVANCE"):

- (a) either of the conditions specified in clause 4.3(a) or (b) (Additional conditions precedent to Drawings) is not satisfied on the Drawdown Date for the new Revolving Advance;
- (b) the amount of the Rollover Advance does not exceed the amount of an existing Revolving Advance (the "EXISTING REVOLVING ADVANCE") which is due to be repaid on the Drawdown Date of the new Revolving Advance; and
- (c) the proceeds of the Rollover Advance are applied in repaying the existing Revolving Advance,

then, unless any notice is then outstanding under clause 20.2 (Cancellation and repayment), the Lenders may not refuse to advance the Rollover Advance by reason of the conditions specified in clause 4.3(a) or (b) (Additional conditions precedent to Drawings) not being satisfied.

#### 5. DRAWDOWN PROCEDURES

##### 5.1 DELIVERY OF DRAWDOWN REQUESTS

In order to utilise a Facility, the relevant Borrower must deliver to the Facility Agent a duly completed Drawdown Request:

- (a) in the case of any Advance to be borrowed on the first Drawdown Date, not later than 10:00 am on that date; and

- (b) in the case of any other Advance, not later than 10:00 am three Business Days before the proposed Drawdown Date.

## 5.2 CONTENT OF DRAWDOWN REQUESTS

Each Drawdown Request delivered to the Facility Agent must be in the applicable form set out in schedule 4 and must specify (or attach, as appropriate) the following:

- (a) which Facility is to be utilised;
- (b) the identity of the Borrower;
- (c) the proposed Drawdown Date, which must be a Business Day during the relevant Availability Period;
- (d) if the Drawing is by way of Advance, the amount and currency of that Advance, which must:
  - (i) in the case of a Term Advance, be an amount in Euro equal to the undrawn Term Commitments;
  - (ii) in the case of a Revolving Advance, be in an amount equal to or less than (and in the case of a Revolving Advance in the Optional Currency have a Euro Equivalent equal to or less than) the undrawn portion of the total Commitments in relation to the Revolving Facility and, if less (save for a Revolving Advance made in accordance with clause 6.9 (Revolving Advance to fund demands under Bank Guarantees)):
    - (A) in the case of a Revolving Advance in Euro, a minimum of EUR 2,500,000 and an integral multiple of EUR 500,000; and
    - (B) in the case of a Revolving Advance in the Optional Currency, an amount in the Optional Currency having an Euro Equivalent of not less than EUR 2,500,000 or, if higher, being the Euro Equivalent of an integral multiple of EUR 500,000; or
- (e) if the Drawing is by way of an Advance, the duration of the Interest Period applicable to the Revolving Advance or the first Interest Period applicable to the relevant Term Advance (as the case may be), which must comply with clause 8 (Selection of Interest Periods);
- (f) if the Drawing is by way of an Advance, details of the payee and the account to which the proceeds of the Drawing are to be paid, provided that the proceeds of the Term Advance will be paid as follows:
  - (i) for the portion of the Term Advance to be used for the refinancing of the Existing Term Facility, by direct payment to the agent under the Existing Facilities;
  - (ii) for the portion of the Term Advance to be used for the payment of fees and expenses incurred by the Parent in connection with the Senior Finance Documents, by transfer to the Parent's account specified in the Drawdown Request;
  - (iii) for the balance the Term Advance, by transfer to the Refinancing Cash Collateral Account.



- (g) if the Drawing is by way of a Bank Guarantee:
  - (i) the amount and currency of that Bank Guarantee, which must be in an amount equal to or less than (and in the case of a Bank Guarantee in the Optional Currency have a Euro Equivalent equal to or less than) the undrawn portion of the total Commitments in relation to the Revolving Facility and, if less:
    - (A) in the case of a Bank Guarantee denominated in Euro, a minimum of EUR 100,000; or
    - (B) in case of a Bank Guarantee denominated in the Optional Currency, an amount in the Optional Currency having an Euro Equivalent of not less than EUR 100,000;
  - (ii) the Beneficiary of that Bank Guarantee;
  - (iii) the expiry date of that Bank Guarantee, which must be a date on or before the Revolving Facility Repayment Date;
  - (iv) the obligation to which the issue of that Bank Guarantee relates; and
  - (v) the execution copy of the Bank Guarantee to be issued (which must be in a form previously agreed by the Parent, the Facility Agent and the relevant Issuing Lender).

### 5.3 REQUESTS IRREVOCABLE

A Drawdown Request once given may not be withdrawn or revoked.

### 5.4 NUMBER AND FREQUENCY OF REQUESTS

- (a) No more than one Term Advance in respect of the Term Facility may be borrowed.
- (b) No more than one Drawing of the Revolving Facility may be requested in any period of five consecutive Business Days and not more than three Drawings of the Revolving Facility may be borrowed in any calendar month. No more than eight Revolving Advances (excluding any Revolving Advance made in accordance with clause 6.9 (Revolving Advance to fund demands under the Bank Guarantees) and fifteen Bank Guarantees (or, in each case, any higher number agreed by the Facility Agent) may be outstanding at any one time.
- (c) No Revolving Advance may be borrowed unless the Term Advance has been, or is being, advanced in full on or before the proposed Drawdown Date of the relevant Revolving Advance.

### 5.5 NOTICE TO THE LENDERS OF A PROPOSED DRAWING

The Facility Agent will promptly give each Lender details of each Drawdown Request received and of the amount of that Lender's participation in the Drawing referred to in that Drawdown Request.

### 5.6 MAKING OF ADVANCES

Subject to the provisions of this agreement, each Lender will make available to the Facility Agent its participation in the relevant Advance on the relevant Drawdown Date.

#### 5.7 ISSUE OF BANK GUARANTEES

- (a) Subject to the provisions of this agreement, the Issuing Lender will issue the relevant Bank Guarantee requested by delivery of that Bank Guarantee to (or to the order of) the relevant Beneficiary on the relevant Drawdown Date.
- (b) No Bank Guarantee shall be issued for the account of a Group Company which is not a Borrower.
- (c) Any Lender which agrees with the Parent and the Facility Agent that it will issue Bank Guarantees will be the Issuing Lender. The Facility Agent shall notify the Lenders of any such agreement.

#### 5.8 EXPIRY

No Drawing of the Revolving Facility will be permitted which gives rise to an actual or contingent liability of the relevant Borrower to any Lender which may mature after or otherwise extend beyond the Revolving Facility Repayment Date.

#### 5.9 AUTOMATIC CANCELLATION

Any part of the Term Commitments undrawn on the last day of the Availability Period for the Term Facility will be automatically cancelled.

#### 5.10 REVOLVING FACILITY COMMITMENT

On the date on which any Drawing is requested (whether or not in the Optional Currency) under the Revolving Facility, the Facility Agent shall determine whether the aggregate of:

- (a) the amount in Euro of that Drawing or, if denominated in the Optional Currency, the Euro Equivalent (determined as at or about 11:00 am three Business Days prior to the relevant Drawing Date) of that Drawing; and
- (b) the Euro Equivalent (determined as at or about 11:00 am three Business Days prior to the relevant Drawing Date) of each existing Revolving Advance denominated in the Optional Currency which will be outstanding on the relevant Drawing Date; and
- (c) each existing Revolving Advance denominated in Euro which will be outstanding on the relevant Drawing Date; and
- (d) the Euro Equivalent (determined as at or about 11:00 am two Business Days prior to the relevant Drawing Date) of the total Contingent Liability of all the Lenders under Bank Guarantees already issued and denominated in the Optional Currency which will be outstanding on the relevant Drawing Date; and
- (e) the total Contingent Liability of all the Lenders under Banks Guarantees already issued and denominated in Euro which will be outstanding on the relevant Drawing Date,

exceeds the total Commitments in relation to the Revolving Facility. In the event that the total Commitments in relation to the Revolving Facility are so exceeded the requested Drawing under the Revolving Facility shall be reduced by the amount by which the total Commitments in relation to the Revolving Facility are so exceeded.

#### 5.11 OPTIONAL CURRENCY AVAILABILITY

If a Borrower requests a Drawing denominated in the Optional Currency under the Revolving Facility and, before 10:00 am on the Rate Fixing Day for that Drawing, the Facility Agent receives notice from a Lender (an "AFFECTED LENDER") that:

- (a) the Optional Currency is not readily available to it in the amount required; or
- (b) compliance with its obligation to participate in a Drawing in the Optional Currency would contravene a law or regulation applicable to that Affected Lender, then:
  - (i) the Facility Agent will notify the relevant Borrower to that effect by 12.00 am (noon) on that Rate Fixing Day;
  - (ii) following any such notification the relevant Borrower may notify the Facility Agent by 2.00 pm on that Rate Fixing Day that it no longer requires that Drawing to be made;
  - (iii) if the Facility Agent does not receive notification under clause 5.11(b)(ii), the relevant Borrower and the Facility Agent shall agree to adjust the amount of the Drawing to exclude the participation of the Affected Lender; and
  - (iv) in the case of a Drawing by way of Advance, the Affected Lender shall make a separate Revolving Advance in Euro in an amount equal to the Euro Equivalent of the Affected Lender's proposed participation in the Advance requested.

#### 5.12 OPTIONAL CURRENCY FLUCTUATIONS

- (a) The Facility Agent shall, if so requested by the Majority Lenders:
  - (i) calculate the aggregate Euro Equivalent of all outstanding Drawings under the Revolving Facility as at the end of the quarter in which that request was made (or on any other date reasonably requested by the Majority Lenders); and
  - (ii) if the amount calculated under clause 5.12(a)(i) exceeds the aggregate Revolving Commitments by more than five per cent., notify the Parent to that effect.
- (b) Within five Business Days of any notification under clause 5.12(a)(ii), the Parent shall prepay (or procure the prepayment of) Drawings under the Revolving Facility so as to reduce the aggregate Euro Equivalent of all outstandings under the Revolving Facility to an amount not exceeding the aggregate Revolving Commitments.

### 6. DEMANDS UNDER BANK GUARANTEES

#### 6.1 DEMANDS

Each Issuing Lender shall, as soon as reasonably practicable after receipt by it of any demand under any Bank Guarantee, notify the Facility Agent of the amount of that demand and the Facility Agent, as soon as reasonably practicable after receipt of any such notice, shall notify the Parent, the Borrower for whose account that Bank Guarantee was issued (the "ACCOUNT PARTY") and the Revolving Lenders.

## 6.2 PAYMENTS

- (a) The Account Party shall, immediately after receipt of any notice from the Facility Agent under clause 6.1 (Demands), pay to the Facility Agent (for the account of the relevant Issuing Lender) the amount demanded from that Issuing Lender (as notified to the Facility Agent under clause 6.1 (Demands)), less any amount standing to the credit of any Cash Collateral Account which has been paid to the credit of that Cash Collateral Account to provide cash cover in relation to the Bank Guarantee under which the relevant Issuing Lender has received demand (a "RELEVANT CREDIT").
- (b) The Facility Agent shall pay to the relevant Issuing Lender any amount received by it from the Account Party under clause 6.2(a) together with any Relevant Credit.
- (c) The Facility Agent is irrevocably authorised by the Account Party, following a demand under any Bank Guarantee, to apply any Relevant Credit in satisfaction of the Account Party's obligations in relation to that Bank Guarantee.

## 6.3 AUTHORITY TO PAY

The Account Party irrevocably authorises each Issuing Lender to pay (without investigation or confirmation by it) any demand which appears on its face to be validly made under any Bank Guarantee issued by that Issuing Lender and agrees that, as between itself, the relevant Issuing Lender and the Lenders, that demand (in the absence of manifest error) shall be conclusive evidence that the demand has been properly made.

## 6.4 INDEMNITIES

- (a) The Account Party irrevocably and unconditionally agrees to indemnify each Issuing Lender on demand against all losses which may be suffered or incurred by that Issuing Lender under or in connection with any Bank Guarantee.
- (b) Without prejudice to the Account Party's obligations under clause 6.4(a), each Revolving Lender irrevocably, unconditionally and severally agrees to pay to each Issuing Lender on demand an amount equal to its proportion of the amount which that Issuing Lender has paid under the relevant Bank Guarantee less the amount recovered from the Account Party under clause 6.4(a). No Revolving Lender is liable under this clause 6.4(b) for an amount greater than its proportion of the Contingent Liability under the relevant Bank Guarantee (unless the relevant Revolving Lender fails to pay the relevant Issuing Lender on demand, in which event it will compensate that Issuing Lender for all losses it suffers as a result of that failure).
- (c) The Account Party irrevocably and unconditionally agrees to pay to each Revolving Lender on demand an amount equal to all payments by that Revolving Lender under clause 6.4(b) and to indemnify that Revolving Lender against all other losses which may be suffered or incurred by that Revolving Lender under or in connection with its obligations under clause 6.4(b).

## 6.5 INTEREST

The Account Party shall pay interest on all amounts paid by an Issuing Lender under or in connection with any Bank Guarantee or by any Revolving Lender under clause 6.4(b) (Indemnities) from (and including) the date of payment by that Issuing Lender or that Revolving Lender up to (and including) the date of payment, calculated and payable in accordance with clause 7.4 (Default interest).

## 6.6 CONTINUING INDEMNITY

- (a) The indemnities contained in clause 6.4 (Indemnities) (the "INDEMNITIES"):

- (i) will remain in full force and effect until all the amounts to which the Indemnities are expressed to relate have been paid in full; and
  - (ii) are in addition to and are not in any way prejudiced by any other security now or subsequently held by any person.
- (b) Any settlement or discharge of any claim under any of the Indemnities shall be conditional on no payment made under the Indemnities being avoided or set aside or ordered to be refunded by virtue of any provision of any enactment relating to bankruptcy, insolvency or liquidation.

#### 6.7 NO DISCHARGE

The Indemnities shall not be discharged, diminished or in any way adversely affected as a result of any of the following (whether or not known to any Obligor or Finance Party):

- (a) any time or waiver given to, or composition made with, any Obligor or any other person;
- (b) any amendment to, or replacement of, any Senior Finance Document (however fundamental), or any other agreement or security;
- (c) the taking, variation, compromise, renewal, release or refusal or neglect to perfect or enforce any right, remedies or security against any Obligor or any other person;
- (d) any purported obligation of any Obligor or any other person to any Finance Party (or any security for that obligation) becoming wholly or partly void, invalid, illegal or unenforceable for any reason;
- (e) any incapacity, lack of power, authority or legal personality or any change in the constitution of, or any amalgamation, consolidation or reconstruction of, any Obligor, Finance Party or other person;
- (f) any Obligor or other person becoming insolvent going into receivership or liquidation, having an administrator appointed or becoming subject to any other procedure for the suspension of payments to or protection of creditors; or
- (g) any other act, omission, circumstance, matter or thing which, but for this provision, might operate to impair the Indemnities.

#### 6.8 NO SUBROGATION

No Account Party shall, by virtue of any payment made under the Indemnities, claim any right of subrogation, contribution or indemnity against any person for so long as any amount remains payable or capable of becoming payable under any Senior Finance Document.

#### 6.9 REVOLVING ADVANCE TO FUND DEMANDS UNDER BANK GUARANTEES

- (a) Without prejudice to the relevant obligations of the Account Party under clause 6.2 (Payments), forthwith on the making of a demand pursuant to a Bank Guarantee (other than a demand made after the end of the Availability Period for the Revolving Facility), unless otherwise agreed between the Facility Agent and the Parent, the liability of the Account Party to indemnify the Issuing Lender in respect of that demand shall be deemed to have been fulfilled on the date of satisfaction by the Issuing Lender of that demand and the Account Party shall be deemed to have drawn a Revolving Advance in the currency of the relevant Bank Guarantee in the amount of that resulting liability so paid by the Issuing Lender, the

proceeds of which shall be deemed forthwith to have been applied in discharge of that liability. The participation of each Revolving Lender in any such Advance shall be in the amount equal to the amount of its participation in the relevant Bank Guarantee by way of indemnity under clause 6.4(b) (Indemnities).

- (b) The Interest Period relating to any Revolving Advance deemed made pursuant to clause 6.9(a) shall be deemed to begin on (and the Drawdown Date for that Revolving Advance (for the purpose of determining the applicable EURIBOR shall be deemed to be)) the date on which the relevant Issuing Lender makes payment under the relevant Bank Guarantee and that Interest Period shall be one month (or any other period which the Facility Agent and the Parent agree). All provisions of this agreement relating to Revolving Advances (as applicable) (including the provisions of clause 4 (Conditions precedent) and all provisions relating to the payment of interest and the repayment and prepayment of principal in respect of Revolving Advances) shall apply to any such Revolving Advance.

## 7. INTEREST

### 7.1 RATE

The rate of interest on each Advance for each of its Interest Periods is the rate per annum determined by the Facility Agent to be the aggregate of:

- (a) the Margin for that Advance;
- (b) EURIBOR or LIBOR, as the case may be, for that Advance during that Interest Period; and
- (c) any applicable Mandatory Cost.

### 7.2 CALCULATION

Interest will accrue daily from and including the first day of an Interest Period and be calculated on the basis of a 360 day year.

### 7.3 PAYMENT

Each Borrower will pay interest accrued on each Advance made to it to the Facility Agent (for the account of the Lenders) in arrear on the last day of each Interest Period for that Advance and also, where that Interest Period is longer than six months, on the last day of each consecutive period of six months from (and including) the first day of that Interest Period.

### 7.4 DEFAULT INTEREST

If an Obligor fails to pay any amount under any Senior Finance Document on its due date (including any amount payable under this clause 7.4) (an "OVERDUE AMOUNT"), that Obligor will pay default interest on that overdue amount from its due date to the date of actual payment (both before and after judgement) at a rate (the "DEFAULT RATE") determined by the Facility Agent to be one per cent. per annum above:

- (a) where the overdue amount is principal which has become due and payable before the expiry of the relevant Interest Period, the rate applicable to that principal immediately before the date it fell due (but only for the period from that due date to the end of the relevant Interest Period); or
- (b) in any other case (including principal falling within clause 7.4(a) once the relevant Interest Period has expired), the rate which would be payable if the overdue amount was an Advance

made for a period equal to the period of non-payment divided into successive Interest Periods of a duration selected by the Facility Agent (each a "DEFAULT INTEREST PERIOD").

For the purposes of determining the rate of interest on an overdue amount under this clause 7.4, the Margin will be:

- (a) if that amount comprises principal or interest or any other amount due in relation to a Facility, the Margin relating to that Facility; or
- (b) if that amount is not properly attributable to a Facility, the Margin under the Term Facility.

#### 7.5 COMPOUNDING

Default interest will be payable on demand by the Facility Agent and will be compounded in accordance with article 1154 of the French Civil Code.

#### 7.6 MARGIN ADJUSTMENT

- (a) Subject to clauses 7.6(b) to (d) (inclusive), if at any time as from the date of delivery to the Facility Agent of the Annual Management Accounts for the Financial Year ending 30 September 2006, the Annual Management Accounts or the Half-Year Accounts (as the case may be) as at the most recent Accounting Half-Year end date show that, for the 12 month period ending on such date, the ratio of Total Net Debt at the end of such period to EBITDA for such period is:
  - (i) equal to or greater than 3.5:1, the Margin applicable to the Term Facility and the Revolving Facility will be 1.15 per cent. per annum;
  - (ii) less than 3.5:1 but equal to or greater than 3.0:1, the Margin applicable to the Term Facility and the Revolving Facility will be 0.95 per cent. per annum;
  - (iii) less than 3.0:1 but equal to or greater than 2.5:1, the Margin applicable to the Term Facility and the Revolving Facility will be 0.80 per cent. per annum;
  - (iv) less than 2.5:1, the Margin applicable to the Term Facility and the Revolving Facility will be 0.70 per cent. per annum.
- (b) Any change in the Margin under clause 7.6(a) shall take effect during (but only during) the period from (and including) the date on which the Facility Agent has received the Annual Management Accounts or Half-Year Accounts, as the case may be (the "ACCOUNTS") (together with the corresponding compliance certificates in accordance with clause 19.10(d) (Compliance certificates)) until (but excluding) the date (a "READJUSTMENT DATE") which is the date on which the Facility Agent receives the Accounts as at the end date of the immediately following Accounting Half Year (together with the corresponding compliance certificate in accordance with clause 19.10(d) (Compliance certificates)). On each Readjustment Date, the Margin applicable to the Term Facility and the Revolving Facility shall be determined in accordance with paragraph (a) of this clause 7.6.
- (c) No decrease in the Margin shall take effect if an Event of Default is outstanding. If an Event of Default occurs, the Margin applicable to the Term Facility and the Revolving Facility shall immediately return to (if it is not already) 1.15 per cent. per annum, until the time when no Event of Default is outstanding (when the Margin will again be determined in accordance with this clause 7.6).

(d) If:

(i) the Margin is:

(A) decreased in accordance with this clause 7.6 by reference to Annual Management Accounts or Half-Year Accounts; or

(B) Annual Management Accounts or Half-Year Accounts indicate that no increase in the Margin is required; and

(ii) subsequent Annual Accounts show that the Annual Management Accounts or Half-Year Accounts were erroneous or incomplete and as a result the margin should have been higher than the level shown by those Annual Management Accounts or Half-Year Accounts,

the Parent shall, promptly following demand by the Facility Agent, pay (or procure that the Borrowers pay) to the Facility Agent for the account of the Lenders the additional amount which would have been payable by the Borrowers if the Margin had been increased to the correct level during the relevant periods as shown by the relevant Annual Accounts. The Facility Agent's determination of any adjustments payable under this clause 7.6(d) shall, except in the case of manifest error, be conclusive.

#### 7.7 NOTIFICATION

The Facility Agent will notify the Parent and the Lenders of each determination of an interest rate (including a default rate) and each selection of a Default Interest Period under this clause 7 as soon as reasonably practicable after any such determination or selection is made.

#### 7.8 EFFECTIVE GLOBAL RATE

To comply with the provisions of articles L.313-4 to L.313-5 of the French Monetary and Financial Code (Code Monétaire et Financier), the Parent and the Lenders declare that the effective global rate for each of the Facilities cannot be calculated for the total duration of this agreement, primarily because of the floating rate of interest applicable to the Facilities and the relevant Borrower's selection of the duration of each Interest Period. However an example of the effective global rate calculation and the rate for a one month period shall be provided to the Parent by the Facility Agent on or before the date of this agreement substantially in the form set out in schedule 8.

### 8. SELECTION OF INTEREST PERIODS

#### 8.1 TERM FACILITY

- (a) Subject to clause 3.4(c) (Syndication) and the other provisions of this agreement, each Interest Period for the Term Advance shall be one, two, three or six months as notified by the relevant Borrower to the Facility Agent no later than 10:00 am three Business Days before the start of that Interest Period (or any other period not exceeding 12 months to which the Facility Agent (acting on the instructions of all the Lenders) may agree).
- (b) The first Interest Period for the Term Advance will start on its Drawdown Date and each subsequent Interest Period for the Term Advance will start on the last day of the immediately preceding Interest Period for the Term Advance.
- (c) Each relevant Borrower will select Interest Periods for the Term Advance so that each Repayment Date for the Term Facility will fall on the last day of an Interest Period and, for this purpose, that Borrower may split the Term Advance into two separate Term Advances



one of which shall (if applicable) be in an amount at least equal to the amount of the instalment due on the next following Repayment Date relating to the Term Advance and will have an Interest Period expiring on that Repayment Date.

- (d) If a Borrower fails to select an Interest Period then, save as provided in this clause 8, it will be deemed to have selected a period of three months or any shorter period which is necessary to comply with the requirements of clause 8.1(c).

## 8.2 REVOLVING FACILITY

Subject to clause 3.4(c) (Syndication) and the other provisions of this agreement, the Interest Period for each Revolving Advance shall be one, two, three or six months, as selected by the relevant Borrower in the relevant Drawdown Request (or any other period not exceeding 12 months to which Facility Agent (acting on the instructions of all the Lenders) may agree).

## 8.3 NON-BUSINESS DAYS

If any Interest Period would, but for this clause 8.3, end on a day which is not a Business Day, that Interest Period shall be extended to (and the Maturity Date in the case of a Revolving Advance shall be) the immediately following Business Day, unless the result of that extension would be to carry that Interest Period into another calendar month, in which case that Interest Period shall end on (and that Maturity Date shall be) the immediately preceding Business Day.

## 9. MARKET DISRUPTION

### 9.1 MARKET DISRUPTION NOTICE

If, in relation to any Advance (an "AFFECTED ADVANCE"):

- (a) the Facility Agent determines that, by reason of circumstances affecting the applicable interbank market generally, adequate and fair means do not or will not exist for ascertaining EURIBOR or LIBOR (as the case may be) applicable to that Affected Advance for an Interest Period; or
- (b) Lenders whose participations in that Affected Advance exceed 50 per cent. of the amount of that Affected Advance notify the Facility Agent that EURIBOR or LIBOR (as the case may be) would not accurately reflect the cost to those Lenders of making or maintaining their participations in that Affected Advance for an Interest Period, the Facility Agent will give notice of that event to the Parent and the Lenders (a "MARKET DISRUPTION NOTICE").

### 9.2 SUBSTITUTE BASIS

During the 30 days following the giving of a Market Disruption Notice, the Affected Advance will be made and the Facility Agent and the Parent will negotiate in good faith in order to agree on a mutually acceptable substitute basis for calculating the interest payable on the relevant Affected Advance. If a substitute basis is agreed within that period, then it shall apply in accordance with its terms (and may be retrospective to the beginning of the relevant Interest Period). The Facility Agent will not agree a substitute basis under this clause 9.2 without first obtaining the approval of the Lenders.

### 9.3 COST OF FUNDS

Unless and until a substitute basis is agreed under clause 9.2 (Substitute basis), the interest payable on each Lender's participation in the relevant Affected Advance for the relevant Interest Period will be the rate certified by that Lender to be its cost of funds (from any source which it may reasonably select) plus the applicable Margin.

#### 9.4 UNAVAILABILITY OF EURO

If, in relation to any proposed Drawing by way of an Advance, Lenders whose participations in that Advance exceed 50 per cent. of the amount of that Advance notify the Facility Agent that deposits in Euro will not be readily available to them in the European interbank market in order to enable them to fund their participations in that Advance, the Lenders will not be obliged to participate in the proposed Drawing and any Drawdown Request which has been served by the relevant Borrower will be deemed withdrawn.

### 10. REPAYMENT OF DRAWINGS

#### 10.1 TERM ADVANCE

- (a) The Parent shall repay the Term Advance on the Term Final Repayment Date.
- (b) No amount repaid or prepaid in relation to the Term Advance may be redrawn.

#### 10.2 REVOLVING ADVANCES REPAYMENT

- (a) Each Borrower of any Revolving Advance shall repay that Revolving Advance on its Maturity Date.
- (b) On the Maturity Date of the first Revolving Advance made on the first Drawdown Date pursuant to clause 2.2(b) (Purpose), as the case may be, the Parent shall repay that Revolving Advance out of the cash of the Parent (and not out of the proceeds of a Rollover Advance).
- (c) Any amount repaid under the Revolving Facility may be redrawn in accordance with clause 5 (Drawdown procedures).
- (d) On the Revolving Facility Repayment Date:
  - (i) the Revolving Facility will expire and the Revolving Commitment of each Lender will be reduced to zero; and
  - (ii) each Borrower will repay or prepay all amounts outstanding and owed by it in relation to the Revolving Facility (together with all its Contingent Liabilities).
- (e) The Parent shall procure that for a period of at least 10 consecutive Business Days during each calendar year (as of 2006), the total amount of all Revolving Advances shall be reduced to zero;

### 11. PREPAYMENT AND CANCELLATION

#### 11.1 VOLUNTARY PREPAYMENT

- A Borrower may prepay all or any part of the Term Advance at any time without premium or penalty, provided that:
- (a) the Facility Agent has received no less than three Business Days' irrevocable notice from the Parent of the proposed date and amount of the prepayment;
  - (b) any partial prepayment is in a minimum amount of EUR 5,000,000 and, if greater an integral multiple of EUR 1,000,000; and

- (c) if paid other than on the last day of the Interest Period for the Term Advance, the relevant Borrower indemnifies the Lenders under clause 28.1 (General indemnity and breakage costs).

#### 11.2 ADDITIONAL RIGHT OF PREPAYMENT

If:

- (a) interest on a Lender's participation in an Advance is being calculated in accordance with clause 9.3 (Cost of funds);
- (b) a Borrower is required to pay any additional amount to a Lender under clause 13.1 (Gross up); or
- (c) the Parent is required to pay any amount to a Lender under clause 14.1 (Increased costs),

then, without prejudice to the obligations of any Obligor under those clauses, the Parent may, whilst the circumstances continue, serve a notice of prepayment and cancellation on that Lender through the Facility Agent. If the Parent serves any such notice:

- (a) on the date which is ten Business Days after the date of service of the notice, each Borrower shall:
  - (i) prepay that Lender's participation in all Advances drawn by it together which accrued interest on those Advances and all other amounts payable to that Lender under the Senior Finance Documents; and
  - (ii) provide cash cover in accordance with clause 1.4 (Cash cover) in an amount equal to the total Contingent Liability (if any) of that Lender in relation to Bank Guarantees; and
- (b) all that Lender's Commitments shall be cancelled and reduced to zero as at the date of service of the notice.

#### 11.3 SALE, CHANGE OF CONTROL AND LISTING

- (a) If a Change of Control, Listing (other than a Permitted Listing) or Sale occurs:
  - (i) all of the Lenders' Commitments will immediately be cancelled and reduced to zero; and
  - (ii) each Borrower will immediately prepay all Advances drawn by it, all Bank Guarantees issued for its account and all sums advanced to it.
- (b) For the purposes of this agreement:
  - (i) a "CHANGE OF CONTROL" will occur if:
    - (A) UGI ceases to hold more than 50 per cent. of the equity share capital of the Parent or equity share capital having the right to cast more than 50 per cent. of the votes capable of being cast in general meetings of the Parent; or
    - (B) UGI ceases after the date of this agreement to have the right to determine the composition of a majority of the board of directors (or like body) of the Parent; or

- (C) UGI ceases after the date of this agreement to have "control" (as defined in article L. 233-3 paragraphs I and II of the French Commercial Code) of the Parent;
- (ii) "LISTING" means a listing of all or any part of the share capital of the Parent on any investment exchange or any other sale or issue by way of flotation or public offering or any equivalent circumstances in relation to the Parent in any jurisdiction or country;
- (iii) "SALE" means a disposal (whether in a single transaction or a series of related transactions) of all or substantially all of the assets of the Group;
- (iv) "PERMITTED LISTING" means a Listing which does not result in a Change of Control.

#### 11.4 ASSET DISPOSALS

- (a) Subject to clauses 11.4(b) and 11.8 (Restrictions on upstreaming moneys), the Parent shall procure that the Net Proceeds of any disposal of any fixed asset exceeding EUR 80,000 (or its equivalent in other currencies) by a Group Company (other than a disposal permitted by clauses 19.3(a)(i), (ii), (iv), (v), (vi), (viii) or (ix) (Disposals) and other than to the extent that such Net Proceeds, when aggregated with the Net Proceeds of all other such sales made since the Signing Date, do not exceed EUR 20,000,000 (or its equivalent in other currencies)) are applied in prepayment of the Facilities.
- (b) Net Proceeds need not be so applied if within 360 days after receipt they are reinvested in fixed assets related to the Core Business.
- (c) All such Net Proceeds which are not applied for the purposes specified in clause 11.4(a) will be applied, in prepaying the Facilities on the last day of the Interest Period for the relevant Advances following the expiry of the 360 day period referred to in clause 11.4(b).

#### 11.5 INSURANCE CLAIMS

- (a) Subject to clauses 11.5(b), 11.5(c) and 11.8 (Restrictions on upstreaming moneys), if a Group Company receives any proceeds exceeding EUR 775,000 (or its equivalent in other currencies) as a result of making a claim under an insurance policy (other than in relation to third party liability or in relation to consequential loss policies that are actually applied to cover operating losses), the Parent shall procure that an amount equal to those proceeds (net of any applicable Tax) is applied in prepayment of the Facilities;
- (b) Any amount received or recovered as a result of making a claim under an insurance policy need not be so applied if within 360 days after receipt it is applied in reinstating, replacing, repairing or otherwise investing in assets related to the Core Business;
- (c) All such proceeds which are not applied for the purposes specified in clause 11.5(b) will be applied in prepaying the Facilities following the expiry of the 360 day period referred to in clause 11.5(b) or, if later, the last day of the Interest Period for the relevant Advances immediately following such date.

#### 11.6 FINAL REFINANCING DATE

If the Final Refinancing Date has not occurred by the 60th day following the first Drawdown Date:

- (a) all of the Lenders' Commitments will immediately be cancelled and reduced to zero; and

- (b) each Borrower will immediately prepay all Advances drawn by it, all Bank Guarantees issued for its account and all sums advanced to it.

#### 11.7 ORDER OF APPLICATION OF PREPAYMENTS

- (a) Any amount to be applied in prepayment of the Facilities under clauses 11.1 (Voluntary prepayment), 11.4 (Asset disposals) and 11.5 (Insurance claims) shall be applied:
- (i) first to prepay the Term Facility; and
  - (ii) provided that all amounts under the Term Facility have been repaid first, in permanent prepayment of Revolving Advances, in such order as the Parent may select by no less than three Business Days' prior written notice to the Facility Agent and thereafter in providing cash cover in respect of any Contingent Liability under any Bank Guarantee issued under the Revolving Facility.
- (b) If any amount is applied in accordance with clause 11.7(a)(ii), the Revolving Commitments shall immediately be cancelled by the amount equal to each amount prepaid or provided as cash cover in relation to the Revolving Facility. Any such cancellation shall apply to the Revolving Commitment of each Revolving Lender on a pro rata basis.
- (c) Subject to the other provisions of this agreement, the Parent shall, by notice to the Facility Agent to be received at least three Business Days before the date of the relevant prepayment, designate which Drawings are to be prepaid on that date.

#### 11.8 RESTRICTIONS ON UPSTREAMING MONEYS

- (a) Any amount to be applied in prepayment of the Facilities under 11.4 (Asset disposals) and 11.5 (Insurance claims) shall (except where the relevant amount has been received directly by the Parent) be limited to the aggregate of:
- (i) the sum of (1) distributable profits of the Subsidiaries of the Parent net of taxes for the latest financial year (taking into account the relevant company's shareholding in its Subsidiaries) and (2) cash reserves distributable without incurring equalisation tax (en franchise de precompte), exceptional tax (prelevement exceptionnel) on distributions or similar tax (if any) of the relevant Subsidiaries (taking into account the percentage of the Parent's shareholding in the relevant Subsidiaries); and
  - (ii) cash held by the Parent.
- (b) Subject to clause 11.8(a), the Parent shall (within boundaries of French law and to the extent that it does not thereby incur any material adverse tax consequences) use its best endeavours to facilitate cash circulation (including early repayments of intercompany loans between Group Companies so as to permit partial prepayments of the Facilities under clauses 11.4 (Asset disposals) and 11.5 (Insurance claims) to take place. The difference between the amount to be applied in prepayment of the Facilities under clause 11.4 (Asset disposals) and/or 11.5 (Insurance claims) and the amount which can legally be prepaid under the limitations described at clause 11.8(a)(i) and (ii) shall either be deposited by the relevant Group Company on a dedicated interest bearing bank account until the payment can be made upstream to the Parent (subject to a maximum period of six months) or, if the relevant Group Company is a Borrower under the Revolving Facility and if it so elects, shall be applied towards prepayment (but not cancellation) of the amounts due by it under the Revolving Facility.

(c) If:

(i) any amount is required to be applied in prepayment or repayment of the Facilities under this clause 11 but, in order to be so applied, moneys need to be upstreamed or otherwise transferred from one Group Company to another Group Company to effect that prepayment or repayment; and

(ii) those moneys cannot be so upstreamed or transferred without:

(A) breaching a financial assistance prohibition or other legal restriction applicable to a Group Company (or any of its directors); or

(B) any Group Company incurring a material cost (whether as a result of paying additional Taxes (including, in the case of a Group Company incorporated in France, any special dividend withholding tax (precompte) or otherwise),

there will be no obligation to make that payment or repayment until that impediment no longer applies.

#### 11.9 CANCELLATION OF TERM FACILITY

The Parent may cancel the undrawn amount of the Term Commitments relating to the Term Facility in whole or in part (but, if in part, in a minimum amount of EUR 5,000,000 and an integral multiple of EUR 1,000,000) at any time during the Availability Period for the Term Facility by giving no less than three Business Days' irrevocable notice to the Facility Agent specifying the date and amount of the proposed cancellation and, on any cancellation of any Term Commitments, the amount of the corresponding Term Facility will reduce accordingly. Any such cancellation shall reduce each Lender's Commitment in respect of the Term Facility on a pro rata basis.

#### 11.10 CANCELLATION OF REVOLVING FACILITY

(a) Provided that the Revolving Facility shall not be cancelled by application of proceeds which would otherwise give rise to mandatory prepayment of the Term Advance under any of clauses 11.3 (Sale, Change of Control and Listing), 11.4 (Asset disposals) or 11.5 (Insurance claims), the Parent may cancel the Revolving Commitments in whole or in part (but, if in part, in a minimum of EUR 5,000,000 and an integral multiple of EUR 1,000,000) at any time during the Availability Period for the Revolving Facility by giving no less than three Business Days' irrevocable notice to the Facility Agent specifying the date and amount of the proposed cancellation and, on any cancellation of the Revolving Commitments, the amount of the Revolving Facility will be reduced accordingly. Any such cancellation shall reduce each Lender's Revolving Commitment on a pro rata basis.

(b) No cancellation of the Revolving Facility may be made if it would result in the aggregate of the Revolving Advances and the Contingent Liability of all the Lenders under Bank Guarantees issued under the Revolving Facility at the time of the proposed cancellation exceeding the total Revolving Commitments at such time.

#### 11.11 MISCELLANEOUS

(a) Any repayment or prepayment under this agreement must be accompanied by accrued interest on the amount repaid or prepaid and any other amount then due under this agreement.

(b) No amount prepaid or cancelled under this clause 11 may be redrawn or reinstated.

- (c) Any notice of prepayment or cancellation given under this agreement shall be irrevocable and, in the case of notice of prepayment, the Parent or the Borrower named in that notice shall be obliged to prepay (or, in the case of the Parent, to procure prepayment) in accordance with that notice.
- (d) No prepayment of a Drawing or cancellation of any Commitment may be made except in accordance with this agreement.

## 12. PAYMENTS

### 12.1 BY LENDERS

- (a) On each date on which an Advance is to be made, each Lender shall make its participation in that Advance available to the Facility Agent on that date by payment in the currency in which the Advance is denominated and in immediately available cleared funds to the account specified by the Facility Agent for that purpose.
- (b) The Facility Agent shall make the amounts paid to it available to the relevant Borrower on the date of receipt by payment in the same currency as received by the Facility Agent to the account specified by that Borrower in the notice requesting that Advance. If any Lender makes its share of any Advance available to the Facility Agent later than required by clause 12.1(a), the Facility Agent shall make that share available to the relevant Borrower as soon as practicable after receipt.

### 12.2 BY OBLIGORS

- (a) On each date on which any amount is due from any Obligor under the Senior Finance Documents, that Obligor shall pay that amount on that date to the Facility Agent in immediately available cleared funds to the account specified by the Facility Agent for that purpose.
- (b) Each payment under this agreement from an Obligor is to be made in Euro, except that:
  - (i) each repayment or prepayment of an Advance shall be in the currency in which it was drawn;
  - (ii) each payment of interest shall be in same currency as the amount in relation to which that interest is payable;
  - (iii) each payment in respect of losses shall be made in the currency in which the losses were incurred;
  - (iv) each payment under clause 13.1 (Gross up) or clause 14.1 (Increased costs) shall be made in the currency specified by the claiming Finance Party; and
  - (v) any amount expressed to be payable in a currency other than Euro shall be paid in that other currency.
- (c) The Facility Agent shall, on the date of receipt, pay to the Finance Party to which the relevant amount is due its pro rata share (if any) of any amounts so paid to the Facility Agent in the same currency as received by the Facility Agent to the account specified by that party to the Facility Agent. If any amount is paid to the Facility Agent later than required by clause 12.2(a), the Facility Agent shall make that party's share available to it as soon as practicable receipt.

### 12.3 NETTING OF PAYMENTS

If on any Drawdown Date:

- (a) the Revolving Lenders are required to make a Revolving Advance; and
- (b) a payment is due to be made by an Obligor to the Facility Agent for the account of the Revolving Lenders,

the Facility Agent may, without prejudice to the obligation of the relevant Obligor to make that payment, apply any amount payable by the Revolving Lenders to that Obligor on that Drawdown Date in relation to the relevant Revolving Advance in or towards satisfaction of the amounts payable by that Obligor to the Revolving Lenders on that Drawdown Date.

### 12.4 ASSUMED RECEIPT

Where an amount is to be paid under any Senior Finance Document for the account of another person, the Facility Agent will not be obliged to pay that amount to that person until it is satisfied that it has actually received that amount. If the Facility Agent nonetheless pays that amount to that person and the Facility Agent had not in fact received that amount, then that person will on request refund that amount to the Facility Agent. That person will be liable:

- (a) to pay to the Facility Agent on demand interest on that amount at the rate determined by the Facility Agent to be equal to the cost to the Facility Agent of funding that amount for the period from payment by the Facility Agent until refund to the Facility Agent of that amount; and
- (b) to indemnify the Facility Agent on demand against any additional loss it may have incurred by reason of it having paid that amount before having received it.

### 12.5 NO SET-OFF OR DEDUCTIONS

All payments made by an Obligor under the Senior Finance Documents must be paid in full without set-off or counterclaim and not subject to any condition and free and clear of and without any deduction or withholding for or on account of any Taxes (except as provided in clause 13 (Taxes)).

### 12.6 BUSINESS DAYS

Subject to clause 8.3 (Non-Business Days), if any amount would otherwise become due for payment under any Senior Finance Document on a day which is not a Business Day, that amount shall become due on the immediately following Business Day and all amounts payable under any Senior Finance Document calculated by reference to any period of time shall be recalculated on the basis of that extension of time.

### 12.7 APPLICATION OF MONEYS

If any amount paid or recovered in relation to the liabilities of an Obligor under any Senior Finance Document is less than the amount then due, the Facility Agent shall apply that amount against amounts outstanding under the Senior Finance Documents in the following order:

- (a) first, to any unpaid fees and reimbursement of unpaid expenses of the Agents;
- (b) second, to any unpaid fees and reimbursement of unpaid expenses of the Lenders;
- (c) third, to unpaid interest;



(d) fourth, to unpaid principal (including provision of cash cover in relation to Contingent Liabilities); and

(e) fifth, to other amounts due under the Senior Finance Documents,

in each case (other than (a)), pro rata to the outstanding amounts owing to the relevant Finance Parties under the Senior Finance Documents taking into account any applications under this clause 12.7. Any such application by the Facility Agent will override any appropriation made by an Obligor.

### 13. TAXES

#### 13.1 GROSS UP

If any deduction or withholding for or on account of Taxes or any other deduction imposed by its jurisdiction of incorporation from any payment made or to be made by an Obligor to any Finance Party or by the Facility Agent to any other Finance Party under any Senior Finance Document is required by law, then that Obligor will:

- (a) ensure that the deduction or withholding does not exceed the minimum amount legally required;
- (b) pay to the relevant Taxation or other authorities within the period for payment permitted by the applicable law, the amount which is required to be paid in consequence of the deduction (including the full amount of any deduction from any additional amount paid under this clause 13.1);
- (c) promptly pay to the relevant Finance Party an additional amount equal to the amount required to procure that the aggregate net amount received by that Finance Party will equal the full amount which would have been received by it if no such deduction or withholding had been made; and
- (d) indemnify each Finance Party against any losses incurred by it by reason of:
  - (i) any failure by the relevant Obligor to make any deduction or withholding; or
  - (ii) any such additional amount not being paid on the due date for payment of that amount.

#### 13.2 EXEMPTIONS FROM GROSS-UP

No additional amount will be payable to a Finance Party under clause 13.1 (Gross up) to the extent that the relevant deduction or withholding would not have arisen if that Finance Party had been a Qualifying Lender at the time the relevant payment fell due (unless the reason it is not a Qualifying Lender is the introduction of, or a change in, any law or regulation, or a change in the interpretation or application of any law or regulation or in any practice or concession of the relevant tax authority, in each case occurring after the date of this agreement or after the date on which such Finance Party became a party to this agreement).

#### 13.3 INDEMNITY

Without prejudice to clause 13.1 (Gross up), if, as a result of a tax change occurring after the date of this agreement on or after the date on which such Finance Party became a party to this agreement, any Finance Party (or any person on its behalf) is required to make any payment in relation to Tax (other than Tax on its overall net income) on or calculated by reference to the amount of any payment

received or receivable by that Finance Party (or any person on its behalf) under any Senior Finance Document (including under clause 13.1 (Gross up)) or any liability in relation to any such payment is assessed, levied, imposed or claimed against any Finance Party (or any person on its behalf), the Parent shall, on demand by the Facility Agent, forthwith indemnify that Finance Party (or relevant other person) against that payment or liability and any losses incurred in connection with that payment or liability.

#### 13.4 FILINGS

If an Obligor is required (or would in the absence of any appropriate filing be required) to make a deduction or withholding for or on account of Taxes or any other deduction contemplated by this clause 13, that Obligor and each relevant Finance Party shall promptly file all forms and documents which the appropriate Tax authority may reasonably require in order to enable that Obligor to make relevant payments under the Senior Finance Documents without having to make that deduction or withholding.

Each Finance Party which is a Qualifying Lender by reason of paragraph (b) of the definition of "Qualifying Lender" in clause 1.1 (Definitions) shall, as soon as reasonably practicable after request from the Parent, file with any relevant Tax authority, or provide to the Parent, any Tax form, declaration or other document which the Parent has reasonably requested from that Finance Party for the purpose of enabling payments to be made by the relevant Obligor to that Finance Party under the Senior Finance Documents without deduction or withholding.

#### 13.5 TAX CREDITS

If an Obligor pays an additional amount under clause 13.1 (Gross up) and a Lender, in its sole opinion acting in good faith, receives an off-setting Tax credit or other similar Tax benefit arising out of that payment, that Lender shall reimburse to the relevant Obligor the amount which that Lender determines, in its sole opinion acting in good faith, is attributable to the relevant deduction, withholding or payment and will leave it in no better or worse position in relation to its worldwide Tax liabilities than it would have been in if the payment of that additional amount had not been required, to the extent that that Lender, in its sole opinion acting in good faith, can do so without prejudice to the retention of the amount of that credit or benefit and without any other adverse Tax consequences for it. Any such reimbursement shall be conclusive evidence of the amount due to that Obligor and shall be accepted by that Obligor in full and final settlement of any claim for reimbursement under this clause 13.5.

#### 13.6 TAX CREDIT RECOVERY

If, following any reimbursement by a Lender under clause 13.5 (Tax credits), that Lender is required to relinquish or surrender any credit or benefit or suffers an adverse Tax consequence as a result of that reimbursement and that relinquishment, surrender or that adverse Tax consequence was not (or was not fully) taken into account in determining that reimbursement, the relevant Obligor shall, on demand, return to that Lender the proportion of the reimbursement which will compensate the Lender for that relinquishment, surrender or adverse Tax consequence.

#### 13.7 TAX AFFAIRS

Nothing in this clause 13 shall oblige any Lender to disclose any information to any person regarding its Tax affairs or Tax computations or interfere with the right of any Lender to arrange its Tax affairs in whatever manner it thinks fit.

#### 14. CHANGE IN CIRCUMSTANCES

##### 14.1 INCREASED COSTS

- (a) If the effect of the introduction of, or a change in, or a change in the interpretation or application of, any law or regulation (including any law or regulation relating to Taxation, reserve asset, special deposit, cash ratio, liquidity or capital adequacy requirements or any other form of banking or monetary controls) applicable to any Lender (an "AFFECTED LENDER") occurring after the date of this agreement or after the date on which it became a Lender or compliance by any Lender with any such law or regulation is to:
- (i) impose an additional cost on the Affected Lender as a result of it having entered into any Senior Finance Document or making or maintaining its participation in any Advance or of it performing its obligations under any Senior Finance Document;
  - (ii) reduce any amount payable to the Affected Lender under any Senior Finance Document or reduce the effective return on its capital or any class of its capital; or
  - (iii) result in the Affected Lender making any payment or foregoing any interest or other return on or calculated by reference to any amount received or receivable by the Affected Lender from any other party under any Senior Finance Document,
- (each such increased cost, reduction, payment, foregone interest or other return being referred to in this clause 14.1 as an "INCREASED COST"), then:
- (A) the Affected Lender will notify the Parent and the Facility Agent of that event as soon as reasonably practicable after becoming aware of it; and
  - (B) on demand from time to time by the Affected Lender, the Parent will pay to the Affected Lender the amount which the Affected Lender reasonably determines is necessary to compensate the Affected Lender for that increased cost (or the portion of that increased cost which is, in the opinion of the Affected Lender, attributable to it entering into the Senior Finance Documents, making or maintaining its participation in any Drawing, or maintaining its Commitment).
- (b) The certificate of an Affected Lender specifying the amount of compensation payable under clause 16.1(a) and the basis for the calculation of that amount is, in the absence of manifest error, conclusive.
- (c) The Parent will not be obliged to compensate any Affected Lender under clause 16.1(a) in relation to any increased cost:
- (i) compensated for by clause 13 (Taxes);
  - (ii) attributable to a change in the rate of Tax on the overall net income of the Affected Lender;
  - (iii) attributable to the implementation by the applicable authorities having jurisdiction over the Affected Lender and/or its Lending Office of the matters set out in the statement of the Basle Committee on Banking Regulations and the Supervisory Practices dated July, 1988 and entitled "International Convergence of Capital Measurement and Capital Standards", or the directives of the European Council (as amended or supplemented prior to the date of this agreement) of 17 April, 1989 on the own funds of credit institutions (89/229/EEC) and of 18 December, 1989 on the

solvency ratio for credit institutions (89/647/EEC), except in the case of an increase in mandatory reserve requirements in respect of requirements in effect on the date of this agreement in each case to the extent and according to the timetable provided for therein;

- (iv) occurring as a result of any negligence or wilful default of the Affected Lender or any of its Holding Companies including but not limited to a breach by that Affected Lender or any of its Holding Companies of any fiscal, monetary or capital adequacy limit imposed on it by any law or regulation; or
- (v) to the extent that the increased cost was incurred in respect of any day more than six months after the first date on which it was reasonably practicable to notify the Parent thereof.
- (d) If any Holding Company of a Lender suffers a cost which would have been recoverable by that Lender under this clause 14.1 if that cost had been imposed on that Lender, that Lender shall be entitled to recover the amount of that cost under this clause 14.1 on behalf of the relevant Holding Company.

#### 14.2 ILLEGALITY

If it is or becomes contrary to any law or regulation for any Lender to make any of the Facilities available or to maintain its participation in any Advance or any of its Commitments, then that Lender may give notice to that effect to the Facility Agent and the Parent, whereupon:

- (a) the relevant Borrowers will forthwith prepay that Lender's participation in all Advances then outstanding, together with all interest accrued on those Advances, provide cash cover in an amount equal to that Lender's Contingent Liability in relation to each Bank Guarantee and pay all other amounts due to that Lender under the Senior Finance Documents (including under clause 28.1 (General indemnity and breakage costs)); and
- (b) that Lender's undrawn Commitments (if any) will immediately be cancelled and that Lender will have no further obligation to make the Facilities available.

#### 14.3 MITIGATION

If circumstances arise in relation to a Lender which would or may result in:

- (a) any Advance in which it participates becoming an Affected Advance under clause 9 (Market disruption); or
- (b) an obligation to pay an additional amount to it under clause 13.1 (Gross up); or
- (c) a demand for compensation by it under clause 14.1 (Increased costs); or
- (d) an obligation to prepay any amount to it under clause 14.2 (Illegality),

then, without in any way limiting, reducing or otherwise qualifying the obligations of the Obligors under the clauses referred to above, that Lender will notify the Facility Agent and the Parent as soon as reasonably practicable after becoming aware of those circumstances and, in consultation with the Facility Agent and the Parent, take such reasonable steps as may be open to it to mitigate the effects of those circumstances, including:

- (a) changing its Lending Office for the purposes of this agreement; or

(b) transferring its rights and obligations under this agreement in accordance with clause 26 (Changes to parties),

but the Lender concerned will not be obliged to take any action if to do so might have a material adverse effect on its business, operations or financial condition or cause it to incur liabilities or obligations (including Taxation) which (in its reasonable opinion) are material or would materially reduce its return in relation to its participation in the Facilities.

#### 14.4 ISSUING LENDER

References in clause 13 (Taxes) and this clause 14 to a "Lender" or "Lenders" include a Lender in its capacity as an Issuing Lender.

#### 15. FEES, EXPENSES AND STAMP DUTIES

##### 15.1 ARRANGEMENT AND UNDERWRITING FEE

The Parent will pay to the Arranger the arrangement and underwriting fee in accordance with the terms of the Fees Letter.

##### 15.2 AGENCY FEE

The Parent will pay to the Facility Agent for its own account an agency fee in accordance with the terms of the Fees Letter.

##### 15.3 COMMITMENT FEE

The Parent will pay to the Facility Agent for the account of the Lenders a commitment fee in respect of the Term Facility and the Revolving Facility which will:

- (a) in respect of the Term Facility and the Revolving Facility until the first Drawdown Date, be calculated at the rate of 0.25 per cent. per annum on the daily undrawn, uncanceled portion of the Total Commitments from (and including) the Signing Date until (but excluding) the earlier of the first Drawdown Date and the last day of the Availability Period for the Term Facility and which will be paid in one instalment on the first Drawdown Date or, if earlier, on the last day of the Availability Period for the Term Facility; and
- (b) in respect of the Revolving Facility as from the first Drawdown Date, be calculated at the percentage rate per annum equal to 35 per cent. of the Margin applicable to the Revolving Facility on the daily undrawn, or not otherwise made available, and uncanceled portion of the Revolving Commitments from (and including) the first Drawdown Date until (but excluding) one month before the Revolving Facility Repayment Date and shall be payable quarterly in arrear and on the Revolving Facility Repayment Date.

Accrued commitment fee under this clause 15.3 is also payable to the Facility Agent for the account of each Lender on the cancelled amount of its Revolving Commitment on the date on which any cancellation of that Revolving Commitment takes effect.

##### 15.4 BANK GUARANTEE COMMISSION

Each Borrower for whose account a Bank Guarantee is issued shall pay to the Facility Agent for the account of each Lender a commission at a rate equal to the Margin applicable to the Revolving Facility on that Lender's Contingent Liability from day to day in relation to that Bank Guarantee. That commission shall be payable quarterly in arrear from the date of this agreement for so long as that

Lender has any such Contingent Liability and on the date on which it ceases to have any such Contingent Liability.

#### 15.5 ISSUING LENDER FEE

Each Borrower for whose account a Bank Guarantee is issued shall pay to the Issuing Lender which issued that Bank Guarantee a fee equal to 0.125 per cent. per annum on the Contingent Liability of that Issuing Lender from day to day in relation to that Bank Guarantee. That fee shall be payable quarterly in arrear from the date of this agreement for so long as that Issuing Lender has any such Contingent Liability and on the date on which it ceases to have any such Contingent Liability.

#### 15.6 VAT

All fees payable under the Senior Finance Documents are exclusive of any value added tax or other similar tax chargeable on or in connection with those fees. If any such value added tax or other similar tax is or becomes chargeable, that tax will be added to the relevant fee at the appropriate rate and will be paid by the relevant Obligor at the same time as the relevant fee itself is paid.

#### 15.7 INITIAL EXPENSES

The Parent will on demand pay to the Agents and the Arranger the amount of all costs and expenses (including legal fees and other out-of-pocket expenses and any value added tax or other similar tax thereon) reasonably incurred by either Agent or the Arranger in connection with:

- (a) the negotiation, preparation, execution and completion of the Senior Finance Documents, and all documents, matters and things referred to in, or incidental to, any Senior Finance Document (subject to a cap as agreed in the Fees Letter);
- (b) any amendment, consent or suspension of rights (or any proposal for any of the same) relating to any Senior Finance Document (and documents, matters or things referred to in any Senior Finance Document);
- (c) the investigation of any Default; and
- (d) primary syndication (including the costs of preparing the Syndication Memorandum and all matters incidental to primary syndication).

#### 15.8 ENFORCEMENT EXPENSES

The Parent will on demand pay to each Finance Party the amount of all costs and expenses (including legal fees and other out of pocket expenses and any value added tax or other similar tax thereon) reasonably incurred by that Finance Party in connection with the preservation, enforcement or attempted preservation or enforcement of any of that Finance Party's rights under any Senior Finance Document (and any documents referred to in any Senior Finance Document) upon production of duly documented evidence.

#### 15.9 STAMP DUTIES, ETC.

The Parent will on demand indemnify each Finance Party from and against any liability for any stamp, documentary, filing and other duties and Taxes (if any) which are or may become payable in connection with any Senior Finance Document.

#### 15.10 CALCULATION

All fees under this agreement which accrue and are payable in arrear will accrue on a daily basis and will be calculated by reference to a 360 day year and the actual number of days elapsed.

#### 16. GUARANTEE AND INDEMNITY

##### 16.1 GUARANTEE

Each Guarantor irrevocably and unconditionally and jointly and severally:

- (a) guarantees to each Finance Party (as a caution solidaire) punctual performance by each Obligor which is a Subsidiary of that Guarantor of all that Obligor's payment obligations under the Senior Finance Documents; and
- (b) undertakes with each Finance Party that whenever an Obligor which is a Subsidiary of that Guarantor does not pay any amount when due under or in connection with any Senior Finance Document, that Guarantor shall immediately on demand pay that amount.

##### 16.2 FURTHER GUARANTEE PROVISIONS

The obligations of each Guarantor under clause 16.1 (Guarantee) (the "GUARANTEE OBLIGATIONS"):

- (a) will remain in full force and effect until all amounts which may be or become payable by any Obligor under or in connection with any Senior Finance Document have been irrevocably paid in full;
- (b) are in addition to and are not in any way prejudiced by any other security now or subsequently held by any Finance Party; and
- (c) are subject to any limitation which is contained in the Accession Document by which that Guarantor becomes a Guarantor.

##### 16.3 WAIVERS:

Each Guarantor irrevocably and expressly:

- (a) undertakes not to exercise any rights which it may have under article 2021 (benefice de discussion) or article 2026 (benefice de division) of the Code Civil;
- (b) waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from that Guarantor under this clause 16;
- (c) undertakes not to exercise any rights which it may have against any other Obligor under article 2032 of the Code Civil; and
- (d) undertakes not to exercise any rights which it may have under article 2039 of the Code Civil to take any action against any other Obligor in the event of any extension of any Availability Period, any Maturity Date, any Repayment Date or any other date for payment of any amount due, owing or payable to any Finance Party under any Senior Finance Document, in each case without the consent of that Guarantor.

#### 16.4 NO SUBROGATION

- (a) Until all amounts which may be or become payable by any Obligor under or in connection with any Senior Finance Document have been irrevocably paid in full, each Guarantor irrevocably and expressly undertakes not to exercise any rights which it may have (including its rights under article 2028 of the Code Civil):
- (i) to be subrogated to or otherwise share in any security or monies held, received or receivable by any Finance Party or to claim any right of contribution in relation to any payment made by any Guarantor under this agreement;
  - (ii) to enforce any of its rights of subrogation and indemnity against any Obligor or any co-surety;
  - (iii) following a claim being made on any Guarantor under clause 16.1 (Guarantee), to demand or accept repayment of any monies due from any other Obligor to any Guarantor or claim any set-off or counterclaim against any other Obligor; or
  - (iv) to claim or prove in a liquidation or other insolvency proceeding of any Obligor or any co-surety in competition with any Finance Party.
- (b) Each Guarantor agrees that, to the extent that the agreement to withhold the exercise of its rights of subrogation, reimbursement, indemnification and contribution as set forth in this clause 16.4 is found by any court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement or indemnification which that Guarantor may have against any Obligor or against any collateral or security, and any rights of contribution which that Guarantor may have against any such other Guarantor shall be junior and subordinate to:
- (i) any rights any Finance Party may have against any Obligor (including without limitation that Guarantor);
  - (ii) all right, title and interest which any Finance Party may have in any such collateral or security; and
  - (iii) any right which any Finance Party may have against those Guarantors any Finance Party may use, sell or dispose of any item of collateral or security as it sees fit without regard to any subrogation rights which any Guarantor may have and, upon such disposal or sale, any rights of subrogation which that Guarantor may have had shall terminate.

If any amount is paid to any Guarantor on account of any such subrogation, reimbursement or indemnification rights at any time when all Guarantee Obligations have not been paid in full, those amounts shall be held for the benefit of the Finance Parties and shall forthwith be paid over to the Finance Parties to be credited and applied against the Guarantee Obligations, whether matured or unmatured, in accordance with the terms of this agreement.

#### 16.5 TURNOVER

Each Guarantor shall hold for the benefit of and, promptly pay or transfer to, the Facility Agent any payment, distribution or benefit of security received by it arising as a result of a breach of this clause 16.



## 17. CHANGES TO OBLIGORS AND SECURITY

### 17.1 ADDITIONAL BORROWERS

A Group Company (other than Finco) may become a Borrower after the Signing Date in respect of the Revolving Facility if:

- (a) the Parent gives notice to the Facility Agent identifying the relevant Group Company (the "NEW BORROWER") attaching certified copies of such New Borrower's most recent audited accounts;
- (b) the Majority Lenders confirm to the Facility Agent that they consent to the New Borrower becoming a Borrower;
- (c) the New Borrower, the Parent (for itself and as agent for the existing Obligors) and the Facility Agent execute an Accession Document designating the New Borrower as a Borrower;
- (d) where the immediate Holding Company of the New Borrower is not already a Guarantor, the Parent and that Holding Company execute an Accession Document designating that Holding Company as a Guarantor;
- (e) the Parent or the New Borrower delivers to the Facility Agent:
  - (i) the original executed Accession Documents referred to in paragraphs (c) and (d) above;
  - (ii) the following documents executed by the New Borrower in favour of the Finance Parties: a general assignment of all Receivables by way of security (cession de creances professionnelles pursuant to the Loi Dailly);
  - (iii) a pledge of financial instruments accounts executed by the immediate Holding Company of the New Borrower over the shares in the New Borrower;
  - (iv) the documents listed in paragraph 1 (Formalities certificates) of schedule 3;
  - (v) a legal opinion confirming capacity and authorisation; and
  - (vi) a letter substantially in the form set out in schedule 8 (amended as necessary to reflect Drawings of the Revolving Facility) duly counter-signed by the New Borrower,each satisfactory to the Facility Agent (acting reasonably).

### 17.2 EFFECTIVE TIME

When the conditions set out in clause 17.1 (Additional Borrowers) are satisfied, the Facility Agent will notify the Parent and the Finance Parties and the New Borrower will become a Borrower with effect from that notification.

### 17.3 RELEASE OF GUARANTORS

If no Default is continuing (or if a Default is continuing the relevant disposal is being effected at the request of the Majority Lenders in circumstances where any of the security created by the Security Documents has become enforceable) and all the shares in a Guarantor which is not a Borrower are disposed of to a person outside (and which will remain outside) the Group in accordance with this agreement, the Facility Agent and the Security Agent shall, on request of the Parent as soon as

reasonably practicable after completion of that disposal, execute any documents which are necessary to release that Guarantor from all liabilities under the Senior Finance Documents.

#### 17.4 RELEASE OF SECURITY

If no Default is continuing (or if a Default is continuing the relevant disposal is being effected at the request of the Majority Lenders in circumstances where any of the security created by the Security Documents has become enforceable) and a Group Company disposes of any asset (including shares in any other Group Company which is not a Borrower) to a person outside (and which will remain outside) the Group in accordance with this agreement, the Security Agent shall, on request of the Parent as soon as reasonably practicable after completion of that disposal, execute any documents necessary to release that asset from the security created in favour of the Security Agent by a Security Document.

### 18. REPRESENTATIONS AND WARRANTIES

#### 18.1 RELIANCE

Each Obligor represents (in respect of itself and its Subsidiaries) and warrants as set out in the following provisions of this clause 18 and acknowledges that each Finance Party has entered into the Senior Finance Documents and has agreed to provide the Facilities in full reliance on those representations and warranties.

#### 18.2 INCORPORATION

Each Group Company is duly incorporated (except for those Group Companies which are sociétés en participation ("SEPS")) and validly existing with limited liability (except for those Group Companies which are Groupements d'Interets Economiques ("GIEs")) under the laws of the place of its incorporation and, subject to specific rules applicable to SEPs and GIEs, has the power to own its assets and carry on its business.

#### 18.3 POWER AND CAPACITY

It has the power and capacity to enter into and comply with its obligations under each Finance Document to which it is party.

#### 18.4 AUTHORISATION

It has taken (or, where applicable, will take within the required time period) all necessary action:

- (a) to authorise the entry into and the compliance with its obligations under each Finance Document to which it is party;
- (b) to ensure that its obligations under each Finance Document are valid, legally binding and enforceable in accordance with their terms (save for obligations subject to qualifications as to matters of law contained in the legal opinions referred to in paragraph 9 of schedule 3);
- (c) to make each Finance Document to which it is party admissible in evidence in the courts of France other than certified translations of the Finance Documents into French; and
- (d) to create the security constituted by each Security Document to which it is party and to ensure that that security has the ranking specified in that Security Document.

#### 18.5 NO CONTRAVENTION

The entry into by any Group Company, the exercise of its rights under and the compliance with its obligations under and each Finance Document to which it is party do not:

- (a) contravene any law, regulation, judgment or order to which any Group Company is subject;
- (b) conflict with its constitutional documents;
- (c) breach any agreement or the terms of any consent binding upon any Group Company or any assets of any Group Company to an extent which could reasonably be expected to have a Material Adverse Effect; or
- (d) oblige any Group Company to create any security or result in the creation of any security over any assets of any Group Company, other than under the Security Documents.

#### 18.6 OBLIGATIONS BINDING

The obligations expressed to be assumed by it under each Finance Document to which it is a party constitute or when executed will constitute its valid and legally binding obligations and are enforceable in accordance with their terms and each of the Security Documents to which it is a party constitute valid security ranking in accordance with its terms (subject, in each case, to any applicable insolvency, bankruptcy or similar laws affecting creditors' rights generally and save for qualifications as to matters of law contained in the legal opinions referred to in paragraph 9 of schedule 3).

#### 18.7 CONSENTS

All consents and filings required for the conduct of its business as presently conducted have been obtained (or, where applicable, will be obtained within the required time period) and are in full force and effect.

#### 18.8 NO DEFAULTS

- (a) No Event of Default and on the date of this agreement and on each Drawdown Date, no Default has occurred and is continuing.
- (b) No event is continuing which constitutes a default under any agreement or document to which any Group Company is party, the consequences of which could reasonably be expected to have a Material Adverse Effect.

#### 18.9 LITIGATION

To the best of its knowledge and belief, having made due and careful enquiry, no dispute, litigation, arbitration or administrative proceeding is current or pending against any Group Company which, if adversely determined, could reasonably be expected to have a Material Adverse Effect.

#### 18.10 ENVIRONMENT

- (a) Each Group Company is and has at all times taken such steps as are necessary to comply in all material respects with all Environmental Laws and all Environmental Approvals necessary in connection with the ownership and operation of its business have been obtained and are in full force and effect.

- (b) To the best of its knowledge and belief having made due and careful enquiry, there are no circumstances which could reasonably be expected to prevent any Group Company from complying in all material respects with any Environmental Law or Environmental Approval.
- (c) No material investment of which the relevant Group Company is aware and which is necessary to obtain, renew, extend, modify, revoke, suspend or surrender any Environmental Approval or to ensure compliance with any Environmental Law has not been budgeted for.
- (d) To the best of its knowledge and belief having made due and careful enquiry, no Group Company is aware of any actual changes or other possible changes (which are referred to in national, international or European bodies' or other regulatory bodies' consultation papers or in other formal methods of announcing possible changes) in Environmental Law which could reasonably be expected to have a Material Adverse Effect.

#### 18.11 OWNERSHIP OF ASSETS

Each Group Company has good title to or valid leases or licenses of, or is otherwise entitled to use or permit other Group Companies to use, all assets necessary to conduct its business.

#### 18.12 ACCOUNTS

- (a) The Original Audited Accounts were prepared in accordance with French gaap consistently applied and fairly represent the consolidated financial position (as at the date to which they were prepared) of and the results of the operations of, the Group for the period to which they relate and the state of the affairs of the Group (as the case may be) at the end of the relevant period and, in particular, disclose or reserve against all liabilities (actual or contingent).
- (b) The Original Management Accounts show with reasonable accuracy the consolidated financial position of the Group as at the date to which they were prepared and the results of the operations of the Group for the period to which they relate and the state of the affairs of the Group at the end of such period and, in particular, disclose or reserve against all liabilities (actual or contingent).
- (c) The latest Annual Accounts, the latest Annual Management Accounts and the latest Half-Year Accounts delivered from time to time under clause 19.10(c) (Financial statements) were prepared in accordance with French gaap consistently applied and, in the case of:
  - (i) the latest Annual Accounts fairly represent the consolidated financial position of the Group as at the date to which they were prepared and the results of the operations of the Group for the period to which they related and the state of the affairs of the Group at the end of that period and, in particular, disclose or reserve against all liabilities (actual or contingent); and
  - (ii) the latest Annual Management Accounts and Half-Year Accounts show with reasonable accuracy the consolidated financial position of the Group as at the date to which they were prepared and the results of the operations of the Group for the period to which they related and, in particular, disclose or reserve against all liabilities (actual or contingent) to the extent required by the Approved Accounting Principles.

#### 18.13 APPROVED PROJECTIONS

- (a) All statements of fact (taken as a whole) in principle recorded in the Approved Projections are true and accurate in all material respects.

- (b) The opinions and views expressed in the Approved Projections represent the honestly held opinions and views of the Senior Management Team and were arrived at after careful consideration and are based on reasonable grounds.
- (c) The projections and forecasts contained in the Approved Projections are based upon assumptions (including assumptions as to the future performance of the Group, inflation, price increases, interest rates and efficiency gains) which have been carefully considered by the directors of the Parent and which are considered by them to be fair and reasonable in each case as at the date which the relevant fact, opinion, view, projection or forecast was provided or as at the date at which it is stated.
- (d) The Approved Projections are not misleading in any material respect and do not omit to disclose any matter where failure to disclose such matter would result in the Approved Projections (or any information or business plan contained therein) to be misleading in any material respect for any person considering whether to provide finance to the Obligors.
- (e) Nothing has occurred or come to the attention of the Parent since the date as at which the Approved Projections were prepared which renders any material facts contained in the Approved Projections materially inaccurate or misleading or which makes any of the opinions, projections or forecasts contained in the Approved Projections unfair or unreasonable or renders any of the assumptions on which the projections are based unfair or unreasonable.

#### 18.14 MATERIAL ADVERSE EFFECT

As at the Signing Date and the first Drawdown Date, there has been no event which has had a Material Adverse Effect since the date to which the Original Management Accounts were prepared.

#### 18.15 MATERIAL DISCLOSURES

It has fully disclosed in writing to the Facility Agent all facts of which it is aware having made due and careful enquiry relating to the Group which it knows could reasonably be expected to materially influence the decision of the Lenders to make the Facilities available to the Obligors.

#### 18.16 HOLDING COMPANY

The Parent is a holding company and it has not carried on any business or incurred any liabilities other than by entering into or under the Finance Documents (including auditors fees and expenses) and certain trading activities in the Core Business.

#### 18.17 SYNDICATION MEMORANDUM

The Syndication Memorandum is not misleading in any material respect and has been read and approved by the Senior Management Team.

#### 18.18 REPETITION

The representations and warranties in this clause 18 are made on the date of this agreement and shall be deemed repeated on, the date of each Drawdown Request and on each Drawdown Date (other than in the case of a Rollover Advance), in each case by reference to the facts and circumstances existing on that date, except that:

- (a) the representations and warranties set out in clauses 18.9 (Litigation), 18.12 (Accounts), paragraphs (a) and (b), 18.13 (Approved Projections), 18.14 (Material Adverse Effect), 18.15

(Material disclosures) and 18.16 (Holding Company) shall not be repeated after the first Drawdown Date;

- (b) the representations and warranties set out in clauses 18.11 (Ownership of assets), 18.13 (Approved Projections) and 18.16 (Holding Company) shall only be made by the Parent; and
- (c) the representation and warranty set out in clause 18.17 (Syndication Memorandum) shall only be made on the date of the Syndication Memorandum.

## 19. UNDERTAKINGS

### 19.1 DURATION OF UNDERTAKINGS

Each Obligor undertakes to each Finance Party in the terms of this clause 19 from the date of this agreement until all amounts outstanding under the Senior Finance Documents have been discharged and no Finance Party has any further Commitment or obligations under the Senior Finance Documents provided that, after a period of twelve months following the first Drawdown Date, the undertaking provided under clauses 19.4(a) (Acquisition), 19.4(b) (Joint Ventures), 19.5(a) (Borrowings), 19.5(b) (Guarantees), 19.5(c) (Loans) and 19.10(h)(ii) (Investigations) shall cease to apply if the ratio of Total Net Debt to EBITDA last communicated to the Facility Agent in accordance with clause 19.10(d) (Information and Accounting Undertakings) is lower than or equal to 2.00:1 and for so long as that ratio remains lower than or equal to 2.00:1 (the "RELEASE PERIOD"), provided however that all transactions carried out during the Release Period which would have not been permitted under clauses 19.4(a) (Acquisition), 19.4(b) (Joint Ventures), 19.5(a) (Borrowings), 19.5(b) (Guarantees) and 19.5(c) (Loans) outside a Release Period shall in the event such Release Period terminates and the above clauses re-apply, be deemed to be incorporated in these clauses as permitted transactions.

### 19.2 AUTHORISATIONS AND STATUS UNDERTAKINGS

#### (a) CONSENTS

Each Obligor will obtain within the required time period and maintain in full force and effect all consents and filings required under any applicable law or regulation:

- (i) to enable it to perform its payment and other material obligations under each Finance Document to which it is a party;
- (ii) for the validity, enforceability or admissibility in evidence (other than certified translations of the Finance Documents into French) of each such Finance Document; and
- (iii) to ensure that its obligations under the Finance Documents are legal, valid and binding and each of the Security Documents constitutes valid security ranking in accordance with its terms.

#### (b) MAINTENANCE OF STATUS AND AUTHORISATION

Each Obligor will, and will procure that each of its Subsidiaries will:

- (i) do all things necessary to maintain its corporate existence;
- (ii) obtain and maintain in full force and effect all consents and filings required for the conduct of its business; and
- (iii) comply with all laws and regulations applicable to it,

where failure to do so could reasonably be expected to materially impair its ability to perform its obligations under the Senior Finance Documents.

(c) AMALGAMATIONS

No Obligor will, and each Obligor will procure that none of its Subsidiaries will, amalgamate, merge or consolidate with or into any other person or be the subject of any reconstruction, except for any amalgamation, merger, consolidation or reconstruction:

- (i) of two or more Group Companies (provided that such amalgamation, merger, consolidation or reconstruction does not adversely affect the economic and legal effect of the guarantee and security position of the Finance Parties under the relevant Senior Finance Documents prior thereto and that, for the avoidance of doubt, the following mergers are not permitted: (x) a merger between the Parent and Antargaz and (y) a merger between Antargaz and another Group Company where Antargaz would not be the surviving entity);  
or
- (ii) otherwise with the prior written consent of the Majority Lenders.

(d) CHANGE OF BUSINESS

No Obligor will, and each Obligor will procure that none of its Subsidiaries will, make a material change to the nature of its core business.

(e) SUBSIDIARY CONSTITUTIONAL DOCUMENTS

No Obligor (other than the Parent) will, and each Obligor will procure that none of its Subsidiaries will, agree to any amendment of its constitutional documents which could reasonably be expected to be materially adverse to the interests of any Finance Party under any Senior Finance Document (excluding, for the avoidance of doubt, any amendment in connection with any transaction permitted under clause 19.9 (Share capital, dividend and other junior financing arrangement undertakings)).

(f) FINCO STATUS

(Except in the case of winding up or other permitted amalgamation of Finco following the Final Refinancing Date) Finco will remain a direct, wholly-owned Subsidiary of the Parent (except as to one share, which will be owned by Antargaz) and (until the Final Refinancing Date) shall not carry on any business or hold any assets other than the holding of the Intra-Group Bonds and the carrying out of obligations under the High Yield Documents and Intra-Group Bond Documents to which it is a party (subject in each case to the provisions of the Senior Finance Documents).

(g) PARI PASSU RANKING

Each Obligor shall ensure that the claims of the Finance Parties under the Senior Finance Documents will at all times rank at least pari passu in right and priority of payment with the claims of all its other present and future unsecured and unsubordinated creditors except those whose claims are preferred solely by operation of law.

### 19.3 DISPOSALS AND SECURITY UNDERTAKINGS

#### (a) DISPOSALS

No Obligor will, and each Obligor will procure that none of its Subsidiaries will, (whether by a single transaction or a series of related or unrelated transactions and whether at the same time or over a period of time) sell, transfer, lease out or otherwise dispose (each a "DISPOSAL") of any of its assets or agree to do so, other than:

- (i) any disposal of assets on arm's length terms in the ordinary course of business;
  - (ii) any inventory disposal by any Group Company in the ordinary course of trading;
  - (iii) any disposal of obsolete or redundant plant and equipment, or of property not required for the operation of its business;
  - (iv) any disposal of assets to an Obligor which is party to a legally valid, binding and enforceable Security Document which creates a valid and effective Security Interest over the asset securing all or substantially all amounts outstanding under the Senior Finance Documents;
  - (v) any disposal of Cash Equivalents on arm's length terms;
  - (vi) any disposal of assets by a Group Company (other than an Obligor) to another Group Company (other than Finco);
  - (vii) disposals (other than to Finco) of assets on arm's length terms not otherwise permitted under this clause 19.3;
  - (viii) the exchange of assets (the "TRANSFERRED ASSETS") for other assets of a comparable or superior nature and value (the "RECEIVED ASSETS"), provided that, if the Transferred Assets were subject to a Security Interest in favour of the Finance Parties, then a Security Interest in favour of the Finance Parties (and acceptable in form, nature and substance to the Security Agent) shall be granted by the relevant Group Company over the Received Assets; and
  - (ix) any other disposal made with the prior consent of the Majority Lenders,
- provided always that no disposal may be made of any shares in:
- (A) any Distribution Company which would result in the Parent owning (directly or indirectly) less than 95 per cent. of the equity share capital in that Distribution Company; or
  - (B) any Material Company (other than a Distribution Company).

#### (b) DISPOSALS FOR FULL CONSIDERATION

Each Obligor will, and each Obligor will, procure that its Subsidiaries will, ensure that any disposal permitted by clause 19.3(a) is:

- (i) for at least the higher of book value and market value payable in cash on or before completion of that disposal; and



- (ii) as part of an arm's length transaction on terms that the purchaser of the relevant asset does not obtain title to or possession of that asset before completion of that disposal.

(c) NEGATIVE PLEDGE

No Obligor will, and each Obligor will procure that none of its Subsidiaries will, create or agree to create or permit to subsist any Security Interest over any part of its assets, other than:

- (i) any Security Interest existing at the date of this agreement, provided that the maximum amount secured by any such Security Interest shall not be increased after the date of this agreement;
- (ii) any Security Interest granted by the Senior Finance Documents;
- (iii) liens securing obligations no more than 30 days overdue, arising by operation of law and in the ordinary course of business;
- (iv) Security Interests arising out of title retention provisions in a supplier's standard conditions of supply of goods where the goods in question are supplied on credit and are acquired by relevant Group Company in the ordinary course of trading;
- (v) rights of set-off existing in the ordinary course of trading activities between any Group Company and its respective suppliers or customers;
- (vi) rights of set-off arising by operation of law or by contract by virtue of the provision to any Group Company of clearing bank facilities or overdraft facilities permitted under this agreement;
- (vii) Security Interests up to a maximum aggregate amount of EUR 3,000,000 (or its equivalent in other currencies) for taxes, assessments or charges (A) not yet due or (B) that are being contested in good faith;
- (viii) liens in favour of French tax authorities securing the liabilities of any Group Company under tax reassessments in respect of French professional tax (taxe professionnelle), to the extent that such liabilities (x) are fully guaranteed by Total under the provisions of the Warranty Agreement or (y) do not exceed a maximum aggregate amount of EUR 5,000,000;
- (ix) Security Interests created in connection with pre-judgement court proceedings up to a maximum aggregate amount not exceeding EUR 3,000,000 (or its equivalent in other currencies);
- (x) any Security Interests not otherwise permitted under this clause 19.3(c) created by any Subsidiary of Antargaz and securing Financial Indebtedness (other than any such Financial Indebtedness arising under or in connection with the High Yield Documents or the Intra-Group Bond Documents) in an aggregate principal amount not exceeding EUR 3,000,000 (or its equivalent in other currencies) (provided that there shall be no security on the shares of any Material Company or Geovexin or Rhone Gaz or (but without prejudice to paragraph (viii) above) on the business (fonds de commerce) of any Material Company or Geovexin or Rhone Gaz);
- (xi) any Security Interest created by any Partly Owned Storage and Logistics Company in respect of which, pursuant to the shareholder agreement or constitutional documents relating to that Partly Owned Storage and Logistics Company, the Group Company

which holds a direct equity interest in that Partly Owned Storage and Logistics Company is not entitled to prohibit the creation of that Security Interest; and

- (xii) any other Security Interest created with the prior written consent of the Majority Lenders.

(d) DE-REGISTRATION OF EXISTING PLEDGES OF BUSINESSES

The Parent and Antargaz shall procure that the existing pledges of businesses (nantissements de fonds de commerce) relating to the businesses of the Parent and Antargaz, respectively, and securing the Existing Facilities shall have been de-registered (radies) before the end of a 4 month period following the first Drawdown Date and shall provide evidence of such de-registration to the Facility Agent within the same period.

19.4 ACQUISITION AND INVESTMENT UNDERTAKINGS

(a) ACQUISITIONS

No Obligor will, and each Obligor will procure that none of its Subsidiaries will acquire any assets or shares other than:

- (i) in the ordinary course of its trading activity;
- (ii) any Permitted Acquisition, provided that:
  - (A) the Parent demonstrates to the satisfaction of the Facility Agent that the Permitted Acquisition is funded entirely out of:
    - (1) an Equity Contribution; and/or
    - (2) Cash and Cash Equivalents owned by Group Companies;
  - (B) in respect of any individual Permitted Acquisition where the aggregate of the purchase price paid, or to be paid, for the shares or assets comprised in that Permitted Acquisition plus the total net debt assumed or repaid, or to be assumed or repaid, in connection with that Permitted Acquisition (together, the "ENTERPRISE VALUE") does not exceed EUR 15,000,000 (or its equivalent in other currencies), the Parent has provided the Facility Agent with revised financial projections and forecasts for the business of the Group incorporating that Permitted Acquisition no later than 10 Business Days prior to the date of that Permitted Acquisition;
  - (C) in respect of any individual Permitted Acquisition where the enterprise value of that Permitted Acquisition exceeds EUR 15,000,000 (or its equivalent in other currencies), the Parent has provided the Facility Agent with revised financial projections and forecasts for the business of the Group incorporating that Permitted Acquisition and a legal and accounting due diligence report, in each case in form and substance satisfactory to the Majority Lenders, no later than 30 days prior to the date of that Permitted Acquisition; and
  - (D) the aggregate enterprise values of all Permitted Acquisitions after the Signing Date does not exceed EUR 90,000,000 (or its equivalent in other currencies); and

- (iii) (subject to clause 19.3(a) (Disposals)), shares owned by it or any other Group Company in any other Group Company as at the Signing Date.

(b) JOINT VENTURES

No Obligor will, and each Obligor will procure that none of its Subsidiaries will, enter into any Joint Venture or invest any amount (whether by way of loan, subscription for share capital, incurrence of any liabilities or otherwise) in any Joint Venture other than:

- (i) an investment by a Group Company (other than the Parent or Finco) in Groupement Danges or any Joint Venture to which it is a party at the date of this agreement (an "EXISTING JOINT VENTURE") provided that such investment is:
  - (A) expressly permitted under clause 19.5 (Financing arrangement undertakings); or
  - (B) made by way of equity contribution and/or shareholders' loans (provided that the aggregate amount of all such equity contributions and outstanding loans pursuant to clause 19.5(c)(ii)(A) (Loans) shall not exceed EUR 23,000,000 (or its equivalent in other currencies) at any time);
- (ii) an investment by a Group Company (other than the Parent or Finco) in any Joint Venture (other than any existing Joint Venture) where:
  - (A) the liability of that Group Company in respect of that Joint Venture is limited to the aggregate amount invested by that Group Company in that Joint Venture;
  - (B) any investment in that Joint Venture is made by way of equity subscription or shareholder loan; and
  - (C) the aggregate Investment Amount invested in all Joint Ventures under this sub-paragraph (ii) in any Financial Year does not exceed EUR 20,000,000 (or its equivalent in other currencies).

19.5 FINANCING ARRANGEMENT UNDERTAKINGS

(a) BORROWINGS

No Obligor will, and each Obligor will procure that none of its Subsidiaries will, incur or permit to be outstanding any Financial Indebtedness other than:

- (i) any Financial Indebtedness of the Group existing at the Signing Date (as listed in the certificate referred to in paragraph 3 of schedule 3) and not to be refinanced as of the first Drawdown Date to the extent not exceeding EUR 4,500,000;
- (ii) amounts due under any Senior Finance Document, the Existing Facilities Agreement (until the first Drawdown Date), the High Yield Notes (until the Final Refinancing Date), the Intra-Group Bonds (until the Final Refinancing Date) or in respect of an Equity Contribution;
- (iii) Financial Indebtedness permitted by clauses 19.5(b) (Guarantees), 19.5(c) (Loans), 19.5(d) (Hedging) or 19.5(e) (Banking business);

- (iv) unsecured overdraft or working capital facilities of any Group Company (other than Finco) in relation to which a Bank Guarantee in an amount equal to the maximum principal amount of those facilities has been issued;
- (v) loans arising by operation of law (including labour and tax regulations);
- (vi) any Financial Indebtedness of any Group Company (other than Finco) in an aggregate principal amount which does not exceed EUR 25,000,000 (or its equivalent in other currencies) at any time;
- (vii) any Financial Indebtedness created by any Partly Owned Storage and Logistics Company with a third party in respect of which, pursuant to the shareholder agreement or constitutional documents relating to that Partly Owned Storage and Logistics Company, the Group Company (the "INVESTING GROUP COMPANY") which holds a direct equity interest in that Partly Owned Storage and Logistics Company is not entitled to prohibit the creation of that Financial Indebtedness, provided that the aggregate amount of Financial Indebtedness ("THIRD PARTY INDEBTEDNESS") created pursuant to this sub-paragraph (vii) by Partly Owned Storage and Logistics Companies where any investing Group Company is liable for the debts of that Partly Owned Storage and Logistics Company does not exceed EUR 10,000,000 (or its equivalent in other currencies) at any time;
- (viii) bank guarantees (cautions bancaires) issued to French tax authorities to secure the liabilities of any Group Company under tax reassessments in respect of French professional tax (taxe professionnelle); and
- (ix) any other Financial Indebtedness incurred with the prior consent of the Majority Lenders.

(b) GUARANTEES

No Obligor will, and each Obligor will procure that none of its Subsidiaries will grant or make available any guarantee other than:

- (i) any guarantee existing on the date of this agreement, provided that the maximum amount guaranteed by any such guarantee shall not be increased after the date of this agreement;
- (ii) any guarantee contained in any Senior Finance Document (or the Existing Facilities Agreement (until the first Drawdown Date) or the High Yield Guarantee (until the redemption of the High Yield Notes));
- (iii) any guarantee of Financial Indebtedness which is otherwise permitted under clause 19.5(a) (Borrowings) (other than any such Financial Indebtedness arising under or in connection with the High Yield Documents or the Intra-Group Bond Documents); and
- (iv) any other guarantees given by a Group Company (other than Finco) in the ordinary course of its (or any of its Subsidiaries' or Joint Ventures') business in respect of its obligations or the obligations of any of its Subsidiaries (other than Finco) provided that such obligations do not have the nature of Financial Indebtedness and that the aggregate maximum contingent liability under all such guarantees does not exceed EUR 50,000,000 (or its equivalent in other currencies) at any time.

(c) LOANS

No Obligor will, and each Obligor will procure that none of its Subsidiaries will, make any loans or grant any credit to any person other than:

- (i) credit granted by any Group Company (other than Finco) in the ordinary course of its trading activities;
- (ii) any loan made by a Group Company (the "LENDING GROUP COMPANY") to any other Group Company (the "BORROWING GROUP COMPANY") (in each case, other than Finco), provided that:
  - (A) the aggregate amount of outstanding loans made by Obligors to Group Companies (other than loans made for the purposes of making a Permitted Acquisition) which are not Obligors (together with the aggregate amount of equity contributions and/or shareholders' loans made pursuant to clause 19.4(b)(i) (Joint Ventures) but excluding for the avoidance of doubt any equity contributions made pursuant to clause 19.4(b)(ii) (Joint Ventures)) shall at no time exceed EUR 23,000,000 (or its equivalent in other currencies); and
  - (B) if the lending Group Company is a Borrower under the Revolving Facility, that lending Group Company grants to the Finance Parties an assignment (cession) of the benefit of that intercompany loan by way of security (pursuant to the Loi Dailly);
- (iii) any loan or grant of credit to employees of the Group (to the extent permissible under applicable law) provided that the maximum aggregate principal amount of all such loans shall not exceed EUR 2,300,000 (or its equivalent in other currencies) for the Group taken as a whole;
- (iv) the Intra-Group Bonds (until the Final Refinancing Date); and
- (v) any other loan or grant of credit granted with the prior consent of the Majority Lenders.

(d) HEDGING

- (i) No Obligor will, and each Obligor will procure that none of its Subsidiaries will, enter into any Derivative Instrument other than (A) the Hedging Agreements referred to in sub-paragraph (ii) below and (B) Derivative Instruments entered into by any Group Company (other than Finco) in the ordinary course of its business for the purpose of managing or hedging its exposure to interest rates, exchange rates or commodity prices (but excluding speculative purposes).
- (ii) The Obligors will ensure that, for a period of at least two years from the Signing Date, the Group has hedging of interest rate exposure on terms satisfactory to the Facility Agent in relation to at least 50 per cent. of the amount of funds available under the Term Facility (it being specified that the Parent hereby represents that prior to the Signing Date it has entered into hedging agreements complying with such undertaking).
- (iii) The parties shall agree to use standard ISDA or FBF agreements as Hedging Agreements.

(e) BANKING BUSINESS

Each Obligor will, and will procure that each of its Subsidiaries will:

- (i) only maintain bank accounts with:
  - (A) those banks with which they hold accounts at the date of this agreement;
  - (B) banks which are approved by the Facility Agent (such approval not to be unreasonably withheld or delayed); or
  - (C) any Finance Party; and
- (ii) save for facilities provided under the terms of the Senior Finance Documents, only carry on banking business with and (subject to clause 19.5(a) (Borrowings)) obtain unsecured overdraft and working capital facilities from banks approved by the Facility Agent (such approval not to be unreasonably withheld or delayed).

(f) RING FENCING OF FINCO

Notwithstanding any other provision of this agreement, no Obligor will (and each Obligor will procure that none of its Subsidiaries will):

- (i) make any loan to or grant any financial accommodation to Finco;
  - (ii) pay any interest, principal or any other amount to, or otherwise transfer monies to Finco whatsoever (except pursuant to the High Yield Documents and the Intra-Group Bond Documents to the extent permitted by the Intercreditor Agreement or for the purpose of the Refinancing);
  - (iii) grant any guarantee (except the High Yield Guarantee) or Security Interest or enter into any participation or purchase arrangements in relation to any obligation of Finco;
  - (iv) sell, transfer, lease out, lend or otherwise dispose of any asset to Finco,
- save in each case as expressly permitted under the Intercreditor Agreement.

19.6 CONDUCT OF BUSINESS UNDERTAKINGS

(a) INSURANCE

- (i) Each Obligor will, and will procure that each of its Subsidiaries will effect and thereafter maintain insurances at its own expense in relation to all its assets and risks of an insurable nature with reputable insurers which:
  - (A) provide cover against such risks, and to such extent, as normally insured against by other companies owning or possessing similar assets or carrying on similar businesses; and
  - (B) shall be in amounts which would in the circumstances be prudent for those companies.
- (ii) The Parent will:

- (A) supply to the Facility Agent on request copies of each policy for insurance required to be maintained in accordance with clause 19.6(a)(i) or (ii) (the "POLICIES"), together with the current premium receipts relating to the policies;
- (B) as soon as reasonably practicable, notify the Facility Agent of any material change to the insurance cover of each Obligor and each Obligor's subsidiaries; and
- (C) as soon as reasonably practicable, notify the Facility Agent of any claim under any policy which is for, or is reasonably likely to result in a claim under that policy for, an amount in excess of EUR 775,000 (or its equivalent in other currencies).

(b) INTELLECTUAL PROPERTY

Each Obligor will, and will procure that each of its Subsidiaries will:

- (i) ensure that it beneficially owns or has all necessary consents to use all the Intellectual Property Rights that it requires in order to conduct its business;
- (ii) observe and comply with all obligations and laws applicable to it in relation to the Intellectual Property; and
- (iii) maintain and protect the Intellectual Property required for the operation of its business;

in each case where not doing so could reasonably be expected to prejudice the interests of the Finance Parties under the Senior Finance Documents.

(c) TAXES

Each Obligor will, and will procure that each of its Subsidiaries will, pay when due (or within any applicable time limit), all Taxes imposed upon it or any of its assets, income or profits on any transactions undertaken or entered into by it except in relation to any bona fide tax dispute (for which, if applicable, provision has been made in its accounts).

(d) ARM'S LENGTH TRANSACTIONS

No Obligor will, and each Obligor will procure that none of its Subsidiaries will, enter into any agreement or arrangement other than on an arm's length basis.

19.7 ENVIRONMENTAL UNDERTAKINGS

Each Obligor will, and each Obligor will procure that each of its Subsidiaries will:

- (a) comply in all material respects with all Environmental Approvals and Environmental Laws applicable to it;
- (b) obtain and maintain to the satisfaction of all relevant regulatory bodies all Environmental Approvals applicable to it;
- (c) promptly upon receipt of the same notify the Facility Agent of any claim, notice or other communication served on it in relation to any Environmental Law or Environmental Approval

applicable to it or if it becomes aware of any actual material variation to any Environmental Law or Environmental Approval;

- (d) promptly notify the Facility Agent of any material investment required to be made by any Group Company to maintain, acquire, renew, modify, amend, surrender or revoke any Environmental Approval or if it otherwise becomes aware of such a requirement; and
- (e) use all reasonable precautions to avoid actions which may give rise to a material liability under Environmental Law.

#### 19.8 TRANSACTION DOCUMENT UNDERTAKINGS

##### (a) CLAIMS UNDER MATERIAL CONTRACTS

The Parent will, and will use its best efforts to procure that each of its Subsidiaries will:

- (i) take all reasonable action to enforce all material rights it may have under any Material Contract;
- (ii) notify the Facility Agent promptly of any material claim made by a Group Company under any Material Contract;
- (iii) provide the Facility Agent with reasonable details of that claim and its progress; and
- (iv) notify the Facility Agent as soon as practicable upon that claim being resolved,

in each case where failure to do so could reasonably be expected to prejudice the interests of the Finance Parties under the Senior Finance Documents.

##### (b) CHANGES TO CONSTITUTIONAL DOCUMENTS

The Parent will not, and will procure that none of its Subsidiaries will, agree to any amendment of any term of any constitutional document which could reasonably be expected to adversely affect the interests of any Finance Party under the Senior Finance Documents.

##### (c) CHANGES TO THE HIGH YIELD DOCUMENTS AND INTRA-GROUP BOND DOCUMENTS

The Parent will not, and will procure that Finco will not agree to any amendment of the High Yield Documents or Intra-Group Bond Documents which would conflict with any provision of the Intercreditor Agreement.

#### 19.9 SHARE CAPITAL, DIVIDEND AND OTHER JUNIOR FINANCING ARRANGEMENT UNDERTAKINGS

##### (a) SHARE ISSUES

No Obligor will, and each Obligor will procure that none of its Subsidiaries will, allot or issue any securities (valeurs mobilières) other than:

- (i) an issue of shares by one Group Company (other than Finco) to another Group Company (other than Finco) allowing, in the case of non wholly-owned members of the Group, for proportionate issues to minority shareholders;
- (ii) an issue of shares by one Group Company (other than Finco) to any Group pension scheme or employee incentive scheme;



(iii) any issue of shares in the Parent for the purposes of an Equity Contribution; or

(iv) any issue of shares with the prior consent of the Majority Lenders.

(b) REDEMPTION AND ACQUISITION OF OWN SHARES

No Obligor will, and each Obligor will procure that none of its Subsidiaries will, directly or indirectly redeem, purchase, retire or otherwise acquire any shares or warrants issued by it or otherwise reduce its capital, other than:

(i) in favour of an Obligor; or

(ii) where it is obliged to do so by law.

(c) CASH MOVEMENT

No Obligor will, and each Obligor will procure that none of its Subsidiaries will, be a party to any contractual or similar restriction (except as set out in any Senior Finance Document, the Existing Facilities Agreement (until the first Drawdown Date) any High Yield Document (until the redemption of the High Yield Notes) or any Intra-Group Bond Document (until the first Drawdown Date)) by which any Group Company is prohibited from making loans, transferring assets or making any payment of dividends, distributions of income or other amounts.

(d) INTRA-GROUP BOND DOCUMENTS AND HIGH YIELD DOCUMENTS

The Parent shall notify the full redemption of the High Yield Notes and Intra-Group Bonds in accordance with the applicable provisions of the High Yield Documents and Intra-Group Bond Documents, so as to allow the Final Refinancing Date to occur within the 60 days following the first Drawdown Date.

19.10 INFORMATION AND ACCOUNTING UNDERTAKINGS

(a) DEFAULTS

Each Obligor will notify the Facility Agent forthwith upon becoming aware of the occurrence of a Default and will from time to time on request (with a reasonable period between requests) supply the Facility Agent with a certificate signed by its mandataire social certifying that no Default has occurred and is continuing or, if that is not the case, setting out details of any Default which is outstanding and the action taken or proposed to be taken to remedy it.

(b) BOOKS OF ACCOUNT AND AUDITORS

Each Obligor will, and will procure that each of its Subsidiaries will:

(i) keep proper books of account relating to its business; and

(ii) have as its auditors any one of Deloitte & Touche, Ernst & Young, KPMG, PricewaterhouseCoopers, Mazars, RSM Salustro Reydel or Grant Thornton (or such other firm as the Facility Agent shall approve (such approval not to be unreasonably withheld or delayed)) (except in the case of a Partly Owned Storage and Logistics Company which, as at the Signing Date, has a different firm of auditors and, pursuant to the shareholder agreement or constitutional documents relating to that Partly Owned Storage and Logistics Company, the Group Company which holds a direct

equity interest in that Partly Owned Storage and Logistics Company is not entitled to procure a change of those existing auditors).

(c) FINANCIAL STATEMENTS

The Parent will deliver to the Facility Agent (with sufficient copies for each of the Lenders if requested):

- (i) as soon as available, and in any event within 90 days (with respect to (A) below) or 120 days (with respect to (B) below) after the end of each Financial Year, copies of:
    - (A) the consolidated management accounts (before audit) of the Group as at the end of and for that Financial Year, including a profit and loss account, balance sheet and cash flow statement;
    - (B) the audited consolidated accounts of the Group as at the end of and for that Financial Year, including a profit and loss account, balance sheet, cash flow statement and directors and auditors' report on those accounts; and
    - (C) the audited accounts of each Obligor for that Financial Year;
  - (ii) as soon as available, and in any event within 60 days of the end of the first Accounting Half-Year in each Financial Year, copies of the unaudited consolidated management accounts of the Group as at the end of and for that Accounting Half-Year, including, for the 6 month period comprising such Accounting Half-Year, a profit and loss account, balance sheet, cash flow statement and management commentary for the Group, in such form as the Facility Agent may reasonably require;
  - (iii) no less than ten days before the beginning of each Financial Year, the Operating Budget for that Financial Year, in such form as the Facility Agent may reasonably require,
- which accounts, Operating Budget and update to the Operating Budget shall, in each case, have been approved by the chief financial officer of the Parent.

(d) COMPLIANCE CERTIFICATES

- (i) Each of the Annual Accounts, Annual Management Accounts and Half-Year Accounts must be accompanied by a certificate signed by the chief financial officer and (in the case of the Annual Accounts only) the mandataire social of the Parent, which shall:
  - (A) certify whether or not, as at the date of the relevant accounts, the Parent was in compliance with the financial covenants contained in clause 19.11 (Financial Covenant - Leverage Ratio) and contain reasonably detailed calculations; and
  - (B) confirm that, as at the date of that certificate, no Event of Default is outstanding and, to best of knowledge after due and careful inquiry, no Potential Event of Default is outstanding.
- (ii) Each of the Annual Accounts must be accompanied by a certificate from the Auditors which shall be in a form substantially in schedule 7.

(e) APPROVED ACCOUNTING PRINCIPLES

All accounts of any Group Company delivered to the Facility Agent under this agreement shall be prepared in accordance with the Approved Accounting Principles. If there is a change in the Approved Accounting Principles after the date of this agreement:

- (i) the Parent shall as soon as practicable advise the Facility Agent;
- (ii) following request by the Facility Agent, the Parent and the Facility Agent shall negotiate in good faith with a view to agreeing any amendments to clauses 19.11 (Financial Covenant-Leverage Ratio) and 19.12 (Financial definitions) which are necessary to give the Lenders comparable protection to that contemplated by those clauses at the date of this agreement;
- (iii) if amendments satisfactory to the Majority Lenders are agreed by the Parent and the Facility Agent within 30 days of that notification to the Facility Agent, those amendments shall take effect in accordance with the terms of that agreement; and
- (iv) if amendments satisfactory to the Majority Lenders are not so agreed within 30 days then, within 15 days after the end of that 30 day period, the Parent shall either:
  - (A) deliver to the Facility Agent, in reasonable detail and in a form satisfactory to the Facility Agent, details of all any adjustments which need to be made to the relevant accounts in order to bring them into line with the Approved Accounting Principles as at the date of this agreement; or
  - (B) ensure that the relevant accounts are prepared in accordance with the Approved Accounting Principles as at the date of this agreement.

(f) MANAGEMENT MEETINGS

The Facility Agent shall be entitled to call for meetings with the chief executive officer and/or the chief financial officer of the Parent and/or Antargaz twice in each Financial Year to discuss financial information delivered under clause 19.10(c) (Financial statements) on reasonable prior notice and at times reasonably convenient to the chief executive officer and/or chief financial officer.

(g) ACCOUNTING REFERENCE DATE AND TAX CONSOLIDATION

- (i) The Parent shall not change its Financial Year end without the prior consent of the Facility Agent. The Parent shall procure that the financial year end of each of its Subsidiaries is the same as the Financial Year end (except, in the case of a Partly Owned Storage and Logistics Company which, as at the Signing Date, has a different financial year end and, pursuant to the terms of the shareholders agreement or constitutional documents relating to that Partly Owned Storage and Logistics Company, the Group Company which holds a direct equity interest in that Partly Owned Storage and Logistics Company is not entitled to procure a change of that existing financial year end).
- (ii) Each Obligor undertakes to procure that the consolidated tax group status (integration fiscale) of UGI Bordeaux, the Parent and each of the Parent's Subsidiaries which fulfils the conditions for inclusion in the consolidated tax group of UGI Bordeaux will continue for so long as any Obligor has any obligation under any Senior Finance Document. For the avoidance of doubt, the Parent and its Subsidiaries shall be authorised to make payments to UGI Bordeaux under the Tax Consolidation

Agreement (such payments being equal to the income tax that would be due by the Parent and its Subsidiaries in the absence of the tax consolidation regime) provided that UGI Bordeaux will, in accordance with the Tax Consolidation Agreement and the UGI Bordeaux Letter of Undertakings, reallocate part of such payments to the Parent.

(h) INVESTIGATIONS

(i) If the Majority Lenders have reasonable grounds for believing that either:

- (A) any accounts or calculations provided under this agreement are inaccurate or incomplete in any material respect; or
- (B) the Parent is, or may in future be, in breach of any of its obligations under clause 19.11 (Financial Covenant - Leverage Ratio),

then the Parent will at its own expense, if so required by the Facility Agent, instruct the Auditors (or other firm of accountants selected by the Facility Agent) to discuss the financial position of the Group with the Facility Agent and to disclose to the Facility Agent and the Lenders (and provide copies of) such information as the Facility Agent may reasonably request regarding the financial condition and business of the Group.

(ii) If, having taken the steps in sub-paragraph (i) above, the Majority Lenders request so, the Facility Agent may instruct the Auditors (or other firm of accountants selected by the Facility Agent) to carry out an investigation at the Parent's expense into the affairs, the financial performance and/or the accounting and other reporting procedures and standards of the Group, and the Parent will procure that full co-operation is given to the Auditors or other firm of accountants so selected.

(i) OTHER INFORMATION

The Parent will promptly deliver to the Facility Agent for distribution to the Lenders:

- (i) details of any material litigation, arbitration, administrative or regulatory proceedings relating to it or any of its Subsidiaries;
- (ii) details of any material labour dispute affecting it or any of its Subsidiaries;
- (iii) at the same time as it is sent to its creditors, any other material document or information sent to any class of its creditors generally (excluding for this purpose creditors which are Group Companies) including all material documents or information provided by the Issuer or Finco to the High Yield Trustee or to the holders of the High Yield Notes (including early redemption notices);
- (iv) any other information relating to the financial condition or operation of any Group Company which the Facility Agent may from time to time reasonably request;
- (v) details of any material breach of the provisions of any Supply Agreement or Service Contract of which it is aware; and
- (vi) copies of any material notice given or received under the Supply Agreements or the Service Contracts.

(j) "KNOW YOUR CUSTOMER" CHECKS

(i) If:

(A) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this agreement;

(B) any change in the status of any member of the Group after the date of this agreement; or

(C) a proposed assignment or transfer by a Lender of any of its rights and obligations under this agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Facility Agent or any Lender (or, in the case of paragraph (C) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each member of the Group shall promptly upon the request of the Facility Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facility Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (C) above, on behalf of any prospective new Lender) in order for the Facility Agent, such Lender or, in the case of the event described in paragraph (C) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

(ii) Each Lender shall promptly upon the request of the Facility Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Facility Agent (for itself) in order for the Facility Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

19.11 FINANCIAL COVENANT - LEVERAGE RATIO

The Parent undertakes that it will procure that the ratio of Total Net Debt as at each Testing Date to EBITDA for the Testing Period ending on that Testing Date shall not exceed 3.75:1 as at that Testing Date.

19.12 FINANCIAL DEFINITIONS

For the purposes of clause 19.11 (Financial Covenant - Leverage Ratio):

"CASH" means cash at bank credited to an account in the name of a Group Company with an Eligible Lender and to which that Group Company is beneficially entitled which is repayable on demand (or within 30 days of demand) without condition;

"CASH EQUIVALENTS" means marketable debt securities with a maturity of three months or less and with a short-term debt rating of at least A1 + granted by Standard & Poor's Ratings Group (a division of The McGraw Hill Companies, Inc.) or P1 granted by Moody's Investors Services, Inc. to which a Group Company is beneficially entitled, and which can be realised by that Group Company without any significant delay;

"EBITDA" means the consolidated profit of the Group for the relevant Testing Period:

- (a) before any deduction of corporation tax or other Taxes on income or gains;
- (b) before any deduction for Interest Payable;
- (c) after deducting (to the extent otherwise included) Interest Receivable;
- (d) excluding extraordinary items;
- (e) after deducting (to the extent otherwise included) the amount of profit (or adding back the amount of loss) of:
  - (i) any Group Company (other than the Parent) which is attributable to any third party (other than a Group Company) which is a shareholder in that Group Company; and
  - (ii) any company or other person which is not a Group Company but whose profits or losses are taken into account in the calculation of the consolidated profit of the Group for that Testing Period;
- (f) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than stock disposed of in the ordinary course of trading) during that Testing Period, to the extent included in arriving at EBITDA for that Testing Period;
- (g) before deducting amortisation of any goodwill or any intangible assets;
- (h) before deducting any depreciation on fixed assets;
- (i) before amortisation of any Refinancing Costs; and
- (j) after adding back or deducting, as the case may be, the variation of any provision during that Testing Period which does not have any cash impact;

For the avoidance of doubt, "EBITDA" shall not be reduced by the Refinancing Costs incurred and paid by the Group during that Testing Period;

"ELIGIBLE LENDER" means any bank or financial institution with a short-term debt rating of at least A1 granted by Standard & Poor's Ratings Group (a division of the McGraw Hill Companies, Inc.) or P1 granted by Moody's Investors Services, Inc.;

"INTEREST" means interest and amounts in the nature of interest paid or payable in relation to any Financial Indebtedness including:

- (a) the interest element of finance leases;
- (b) discount and acceptance fees payable (or deducted) in relation to any Financial Indebtedness;
- (c) fees payable in connection with the issue or maintenance of any bond, letter of credit, guarantee or other assurance against financial loss which constitutes Financial Indebtedness and is issued by a third party on behalf of a Group Company (but excluding Refinancing Costs);
- (d) repayment and prepayment premiums payable or incurred in repaying or prepaying any Financial Indebtedness; and

- (e) commitment, utilisation and non-utilisation fees payable or incurred in relation to Financial Indebtedness (but excluding Refinancing Costs);

"INTEREST PAYABLE" means the total of:

- (a) Interest accrued (whether or not paid or capitalised) during the relevant Testing Period; and
- (b) the amount of the discount element of any Financial Indebtedness amortised during that Testing Period,

as an obligation of any Group Company during that period and adjusted for amounts payable and receivable under Derivative Instruments entered into for the purposes of managing or hedging interest rate risk;

"INTEREST RECEIVABLE" means the amount of Interest accrued (including interest and/or dividends received by the Group during the relevant Testing Period under Cash Equivalent investments) due to Group Companies (other than by other Group Companies) during the relevant Testing Period which is freely available to meet the Group's payment obligations;

"TESTING DATE" means the date specified in the relevant table as the date as at (or to) which a particular financial ratio is being tested;

"TESTING PERIOD" means, subject to clause 19.14 (Calculation adjustments) each period which corresponds to the annual accounting reference period of the Parent or two consecutive Accounting Half-Years and ending on or about a Testing Date;

"TOTAL NET DEBT" means, at any time, the aggregate outstanding principal or capital amount of all Financial Indebtedness of the Group calculated on a consolidated basis less Cash and Cash Equivalents owned by Group Companies, except that:

- (a) in the case of any finance lease only the capitalised value of that finance lease (as determined in accordance with the Approved Accounting Principles) shall be included;
- (b) in the case of any guarantee referred to in the definition of Financial Indebtedness in clause 1.1 (Definitions), the amount of that guarantee shall not be included, to the extent it relates to (a) indebtedness of another Group Company already included in the calculation of Total Net Debt;
- (c) any Financial Indebtedness arising under any Equity Contribution (including under the UGI Bordeaux Letter of Undertakings) shall be excluded; and
- (d) any amount drawn under the Revolving Facility shall be excluded.

#### 19.13 CALCULATION

- (a) The covenants contained in clause 19.11 (Financial Covenant - Leverage Ratio) will be tested by reference to the Annual Accounts and the Half-Year Accounts for the relevant Testing Period.
- (b) If the Annual Accounts are not available when any covenant referred to in clause 19.13(a) is tested, but when those Annual Accounts become available, they show that the figures in any relevant Half-Year Accounts utilised for any such calculation cannot have been substantially accurate, the Facility Agent may require such adjustments to the calculations made or to be made which it, in its sole discretion, considers appropriate to rectify that inaccuracy and

compliance with the covenants in clause 19.11 (Financial Covenant - Leverage Ratio) will be determined by reference to those adjusted figures.

- (c) The components of each definition used in clause 19.11 (Financial Covenant - Leverage Ratio) will be calculated in accordance with the Approved Accounting Principles, as varied by this agreement.
- (d) For the avoidance of doubt, for the purpose of calculating the ratios referred to in clause 19.11 (Financial Covenant - Leverage Ratio), each component of such ratios shall not double-count the same amount in the same calculation.

#### 19.14 CALCULATION ADJUSTMENTS

For the purpose of determining compliance with the financial covenants in clause 19.11 (Financial covenant - Leverage Ratio) if the Group acquires a company or companies (having obtained any necessary consent under this agreement to do so), until the first Testing Date which falls more than 12 months after the relevant company or companies became Subsidiaries of the Parent, the results of such company or companies will be deemed included with those of the rest of the Group for the full duration of the relevant Testing Period as if such company or companies had become a Group Company at the commencement of the Testing Period. Any necessary aggregation of their results will be confirmed by the Auditors and will not include any synergy benefits expected (save as provided in the definition of Permitted Acquisition in clause 1.1 (Definitions)) to be achieved as a result of the acquisition of such company or companies.

#### 20. EVENTS OF DEFAULT

##### 20.1 LIST OF EVENTS

Each of the events set out in this clause 20.1 constitutes an Event of Default, whether or not the occurrence of the event concerned is outside the control of any Group Company.

##### (a) PAYMENT DEFAULT

Any Obligor fails to pay within five Business Days' of the due date any amount payable by it under any Senior Finance Document at the place at which and in the currency in which it is expressed to be payable.

##### (b) BREACH OF OTHER OBLIGATIONS

- (i) Any Obligor fails to comply with any of its obligations under clauses 19.3 (Disposals and security undertakings) to 19.5 (Financing arrangement undertakings) (inclusive) (except clause 19.5(e)) or 19.11 (Financial Covenant - Leverage Ratio) (whether or not the relevant obligation is enforceable against that Group Company).
- (ii) Any Group Company fails to comply with any of its obligations under any Senior Finance Document (whether or not the relevant obligation is enforceable against that Group Company), other than those specified in clause 20.1(a) (Payment default) or clause 20.1(b)(i) and, if that failure is in the opinion of the Facility Agent capable of remedy, it is not remedied within 15 Business Days of the earlier of:
  - (A) the Facility Agent notifying the Parent of that default; and
  - (B) any Group Company becoming aware of such failure.



(c) MISREPRESENTATION

Any representation, warranty or statement which is made by any Group Company in any Senior Finance Document or is contained in any certificate, statement or notice provided under or in connection with any Senior Finance Document is incorrect in any material respect when made (or when deemed to be made or repeated) and, if the circumstances giving rise to that default are in the opinion of the Facility Agent capable of remedy, they are not remedied within 15 Business Days of the earlier of:

- (i) the Facility Agent notifying the Parent of that default; and
- (ii) any Group Company becoming aware of such misrepresentation.

(d) INVALIDITY AND UNLAWFULNESS

- (i) Any provision of any Senior Finance Document is or becomes invalid or unenforceable for any reason or is repudiated or the validity or enforceability of any provision of any Senior Finance Document is contested by any person or any party to any Senior Finance Document (other than a Finance Party) denies the existence of any liability or obligation on its part under any Senior Finance Document.
- (ii) It is or becomes unlawful under any applicable jurisdiction for any Group Company to perform any of its obligations under any Senior Finance Document.
- (iii) Any act, condition or thing required to be done, fulfilled or performed in order to:
  - (A) enable any Group Company lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under any Finance Document to which it is party;
  - (B) ensure that the obligations expressed to be assumed by any Group Company under any Finance Document to which it is party are legal, valid and binding (save for obligations subject to qualifications as to matters of law contained in the legal opinions referred to in paragraph 9 of schedule 3);
  - (C) make each any Finance Document admissible in evidence in the courts of France or the jurisdiction in which any Group Company is incorporated (other than certified translations of the Finance Documents into French); and
  - (D) create the security constituted by the Security Documents to which any Group Company is party,is not done, fulfilled or performed.

(e) INSOLVENCY

- (i) The Parent or any Material Company stops or suspends or threatens, or announces an intention to stop or suspend, payment of its debts (including cessation des paiements, whether pursuant to the applicable provisions of the French Commercial Code or otherwise).
- (ii) The Parent or any Material Company is, for the purpose of any applicable law, deemed to be unable, or admits its inability, to pay its debts as they fall due or becomes insolvent or a moratorium (sursis de paiements) is declared in relation to any indebtedness of any Group Company.

(f) RECEIVERSHIP AND ADMINISTRATION

- (i) Any encumbrancer takes possession of, or a receiver or administrator or similar officer (including a conciliateur or an administrateur provisoire or a mandataire ad hoc) is appointed over or in relation to, all or any part of the assets of the Parent or any Material Company.
- (ii) A petition is presented, a meeting is convened, an application is made or any other step is taken for the purpose of appointing an administrator or receiver or other similar officer (including a conciliateur or an administrateur provisoire or a mandataire ad hoc) of, or for the making of an administration order in relation to the Parent or any Material Company (including the opening of any redressement judiciaire or procedure de sauvegarde), in each case unless such proceedings are discharged or stayed within 15 days.

(g) COMPOSITIONS AND ARRANGEMENTS

- (i) The Parent or any Material Company convenes a meeting of its creditors generally or proposes or makes any arrangement or composition with, or any assignment for the benefit of, its creditors generally.
- (ii) The Parent or any Material Company proposes or enters into any negotiations for or in connection with the rescheduling, restructuring or re-adjustment of any indebtedness by reason of, or with a view to avoiding, financial difficulties.

(h) WINDING UP

- (i) Any meeting of the Parent or any Material Company is convened for the purpose of considering any resolution for (or to petition for) its winding up (liquidation judiciaire or amiable) or passes such a resolution (other than as a result of a permitted amalgamation).
- (ii) A petition is presented for the winding up of the Parent or any Material Company which is not discharged or stayed within 30 days.
- (iii) An order is made for the winding up of the Parent or any Material Company.

(i) ATTACHMENT OR PROCESS

A creditor attaches or takes possession of (mesure de saisie) or a distress, execution, (execution forcee), sequestration or other process is levied or enforced upon or sued out against all or any part of the assets the aggregate value of which exceeds EUR 3,000,000 (or its equivalent in other currencies) of the Parent or any Material Company and in each case such proceedings are not discharged or stayed within 30 days, save where that Group Company is in good faith contesting such attachment, sequestration, distress or execution before a competent court and these proceedings do not and are not likely to affect the ability of any Obligor to comply with its obligations under the Senior Finance Documents.

(j) SUSPENSION OF PAYMENTS

Any order is made, any resolution is passed or any other action is taken for the suspension of payments, protection from creditors or bankruptcy of the Parent or any Material Company.

(k) SIMILAR EVENTS ELSEWHERE

There occurs in relation to the Parent or any Material Company or any of its assets in any country or territory in which it is incorporated or carries on business or to the jurisdiction of whose courts it or any of its assets is subject any event which appears to the Facility Agent to correspond in that country or territory with any of those mentioned in clauses 20.1(e) (Insolvency) to 20.1(j) (Suspension of payments) (inclusive), it being agreed that any such events shall be subject, to the extent permitted by applicable law, to the same cure periods, remedies and other qualifying terms set out in these clauses (if any).

(l) CESSATION OF BUSINESS

The Parent or any Material Company ceases, or threatens or proposes to cease to carry on all or a substantial part of its business (cessation totale ou partielle de l'entreprise) other than as a result of a transfer of all or any part of its business to a Group Company as permitted by this agreement.

(m) COMPULSORY ACQUISITION

All or any part of the assets of the Parent or any Material Company which are necessary to the business of the Group are seized, nationalised, expropriated or compulsorily acquired by, or by the order of, any central or local governmental authority in relation to which full market value compensation is not paid.

(n) SECURITY INTERESTS

Any Security Interest affecting the business, undertaking or any of the assets of the Parent or any Material Company and securing indebtedness exceeding EUR 3,000,000 (or its equivalent in other currencies) in aggregate becomes enforceable and steps are taken to enforce the same which are not withdrawn or stayed within 30 days save where that Group Company is in good faith contesting these steps by appropriate proceedings and these steps do not and are not likely to affect the ability of any Obligor to comply with its obligations under the Senior Finance Documents.

(o) CROSS DEFAULT

Any Financial Indebtedness of any Group Company or Group Companies exceeding EUR 3,000,000 (or its equivalent in other currencies) in aggregate:

(A) is not paid when due or within any originally applicable grace period in any agreement relating to that Financial Indebtedness;  
or

(B) becomes due and payable (or capable of being declared due and payable but in this case unless the existence of the relevant event of default is being contested in good faith by the relevant Group Company before the relevant court) before its normal maturity or is placed on demand (or any commitment for any such indebtedness is cancelled or suspended) by reason of a default or event of default (however described).

(p) LITIGATION

Any litigation, arbitration or administrative proceeding is commenced by or against any Group Company which is reasonably likely to be resolved against the relevant Group Company and, if so resolved, could reasonably be expected to have a Material Adverse Effect.

(q) INTERCREDITOR BREACH

The Parent fails to comply with its obligations under the Intercreditor Agreement or the Intercreditor Agreement ceases to be binding upon any such party for whatever reason, in each case in a manner which could reasonably be expected to prejudice the interests of the Finance Parties under the Senior Finance Documents.

(r) AUDITORS' QUALIFICATION

The Auditors qualify their report on any Annual Accounts in any manner which could reasonably be expected to prejudice the interests of the Finance Parties under the Senior Finance Documents.

(s) MATERIAL CONTRACTS

- (i) Any Material Contract is terminated or otherwise ceases to be in full force and effect (other than on expiry under its terms, as in force at the date of this agreement).
- (ii) Any amendment is made to any Material Contract without the prior consent of the Majority Lenders which could reasonably be expected to be materially adverse to the interests of the Finance Parties under the Senior Finance Documents.
- (iii) Any Group Company breaches any term of or repudiates any of its obligations under any Material Contract the result of which could reasonably be expected to be materially adverse to the interests of the Finance Parties under the Senior Finance Documents.

(t) TAX CONSOLIDATION

- (i) The Group loses, for whatever reason (including as a result of any change of law or interpretation in law) the benefit of the tax consolidation regime (integration fiscale) for the Group and UGI Bordeaux, unless, within 30 days of the occurrence of the relevant event causing the loss of the tax consolidation regime, the Parent has provided written details to the Facility Agent of a solution to that loss which is satisfactory to the Majority Lenders (acting reasonably).
- (ii) An amendment or waiver is made to the Tax Consolidation Agreement without the prior consent of the Majority Lenders, which could reasonably be expected to be materially adverse to the interests of the Finance Parties under the Senior Finance Documents.

(u) UGI BORDEAUX

UGI Bordeaux fails to comply with any of its obligations under the UGI Bordeaux Letter of Undertakings.

(v) MATERIAL ADVERSE EFFECT

At any time there occurs any event or default not mentioned in any of the provisions of this clause 20.1 which, in the opinion of the Majority Lenders, could reasonably be expected to have a Material Adverse Effect.

## 20.2 CANCELLATION AND REPAYMENT

Subject to Clause 20.3 (Certain Funds Period), at any time after the occurrence of an Event of Default (and for so long as it is continuing), the Facility Agent may, and will if so directed by the Majority Lenders, by notice to the Parent do all or any of the following, in addition and without prejudice to any other rights or remedies which it or any other Finance Party may have under any other Senior Finance Document:

- (a) terminate the availability of the Facilities, whereupon the Facilities shall cease to be available for drawing, the undrawn portion of the Commitments of each of the Lenders shall be cancelled and no Lender shall be under any further obligation to make Advances or issue Bank Guarantees; and/or
- (b) declare all or any Advances, accrued interest on those Advances and any other amounts then payable under any Senior Finance Document to be immediately due and payable, whereupon those amounts shall become so due and payable; and/or
- (c) declare all or any Advances to be payable on demand, whereupon those Advances shall become payable on demand; and/or
- (d) require the provision of cash cover in relation to all or any outstanding Contingent Liabilities, whereupon each Borrower shall immediately provide cash cover in an amount equal to the total Contingent Liability of the Lenders under all Bank Guarantees issued for the account of the Borrowers.

## 20.3 CERTAIN FUNDS PERIOD

The Lenders will not exercise any rights of rescission, cancellation or termination, whether pursuant to Clause 20.2 (Cancellation and Repayment) or otherwise or any rights of set-off or counterclaim under the Senior Finance Documents before the end of the Certain Funds Period. Once the conditions precedent under clause 4.1 (Initial conditions precedent) have been satisfied, the Lenders shall only be entitled to decline to make available the first Advance under the Senior Finance Documents in respect of any drawing the purpose of which is to fund the Refinancing during the Certain Funds Period by reason of any of the following events:

- (a) any Sale, Listing or Change of Control (each as described in clause 11.3 (Sale, Change of Control, Listing) occurs;
- (b) the Parent and/or Antargaz cancelling, rescinding or purporting to rescind the Facilities (including, without limitation, under clause 11.9 (Cancellation of Term Facility) or 11.10 (Cancellation of Revolving Facility)) in the case of any cancellation to the extent of the amount so cancelled;
- (c) any breach of the representations and warranties contained in clauses 18.2 (Incorporation), 18.3 (Power and capacity) or 18.4 (Authorisation) (to the extent that the breach of such representations and warranties relate to an Obligor);
- (d) any breach of the undertaking contained in clauses 19.2(c) (Amalgamations), 19.2(f) (Pari-passu ranking), 19.4 (Acquisitions and investment undertakings) (to the extent that such breach of that clause could reasonably be expected to have a Material Adverse Effect), 19.5(a) (Borrowings) (to the extent that such breach of that clause could reasonably be expected to have a Material Adverse Effect), 19.5(b) (Guarantees) (to the extent that such breach of that clause could reasonably be expected to have a Material Adverse Effect), 19.5(c) (Loans) (to the extent that such breach of that clause could reasonably be expected to have a Material

- Adverse Effect), 19.2(e) (Changes to Constitutional Documents), 19.9(a) (Shares Issues), 19.9(b) (Redemption and Acquisition of Own Shares) or 19.9(c) (Cash Movement);
- (e) any of the Events of Default referred to in clause 20.1(d) (Invalidity and unlawfulness) occurring and is continuing by reason of circumstances relating to the Parent only or as a result of a change of any law or regulation occurring during the Certain Funds Period;
- (f) any of the Events of Default referred to in clauses 20.1(e) (Insolvency) to 20.1(k) (Similar events elsewhere) occurring and is continuing;
- (g) any of the events described in clause 14.2 (Illegality) occurs as a result of a change of any law or regulation occurring during the Certain Funds Period.

## 21. THE AGENTS AND THE OTHER FINANCE PARTIES

### 21.1 AGENTS' APPOINTMENT

- (a) Each Lender:
- (i) appoints Calyon as Facility Agent to act as its agent under and in connection with the Senior Finance Documents and as Security Agent to act as its security agent for the purposes of the Security Documents and to execute the Security Documents on its behalf; and
- (ii) irrevocably authorises each Agent for and on its behalf to exercise the rights, powers and discretions which are specifically delegated to it by the terms of the Senior Finance Documents, together with all rights, powers and discretions which are incidental thereto and to give a good discharge for any monies payable under the Senior Finance Documents.
- (b) Each Agent will act solely as agent for the Lenders in carrying out its functions as agent under the Senior Finance Documents and will exercise the same care as it would in dealing with a credit for its own account.
- (c) The relationship between the Lenders and each Agent is that of principal and agent only. No Agent shall have, nor be deemed to have, assumed any obligations to, or trust or fiduciary relationship with, the other Finance Parties or any Obligor, other than those for which specific provision is made by the Senior Finance Documents.

### 21.2 AGENTS' DUTIES

Each Agent shall:

- (a) send to each Lender details of each communication delivered to the Agent by an Obligor for that Lender under any Senior Finance Document as soon as reasonably practicable after receipt;
- (b) subject to those provisions of this agreement which require the consent of all the Lenders, act in accordance with any instructions from the Majority Lenders or, if so instructed by the Majority Lenders, refrain from exercising a right, power or discretion vested in it under any Senior Finance Document;
- (c) have only those duties, obligations and responsibilities expressly specified in the Senior Finance Documents; and

(d) without prejudice to clause 21.6(c) (Communications and information), promptly notify each Lender:

(i) of any Default which occurs under clause 20.1(a) (Payment default); and

(ii) if the Agent receives notice from an Obligor referring to this agreement, describing a Default and stating that the circumstance described is a Default.

### 21.3 AGENTS' RIGHTS

Each Agent may:

- (a) perform any of its duties, obligations and responsibilities under the Senior Finance Documents by or through its personnel, delegates or agents (on the basis that each Agent may extend the benefit of any indemnity received by it under this agreement to its personnel, delegates or agents);
- (b) except as expressly provided to the contrary in any Senior Finance Document, refrain from exercising any right, power or discretion vested in it under the Senior Finance Documents until it has received instructions from the Majority Lenders or, where relevant, all the Lenders;
- (c) unless it has received notice to the contrary, treat the Lender which makes available any portion of a Drawing as the person entitled to repayment of that portion;
- (d) refrain from doing anything which would or might in its opinion be contrary to any law, regulation or judgement of any court of any jurisdiction or otherwise render it liable to any person and may do anything which is in its opinion necessary to comply with any such law, regulation or judgement;
- (e) assume that no Default has occurred, unless an officer of that Agent while active on the account of the Parent acquires actual knowledge to the contrary;
- (f) refrain from taking any step (or further step) to protect or enforce the rights of any Lender under any Senior Finance Document until it has been indemnified and/or secured to its satisfaction against all losses, (including legal fees) which it would or might sustain or incur as a result;
- (g) rely on any communication or document believed by it to be genuine and correct and to have been communicated or signed by the person to whom it purports to be communicated or by whom it purports to be signed;
- (h) rely as to any matter of fact which might reasonably be expected to be within the knowledge of any Group Company in a statement by or on behalf of that Group Company;
- (i) obtain and pay for any legal or other expert advice or services which may seem necessary or desirable to it and rely on any such advice;
- (j) accept without enquiry any title which an Obligor may have to any asset intended to be the subject of the security created by the Security Documents; and
- (k) hold or deposit any title deeds, Security Documents or any other documents in connection with any of the assets charged by the Security Documents with any banker or banking company or any company whose business includes undertaking the safe custody of deeds or

documents or with any lawyer or firm of lawyers and it shall not be responsible for or be required to insure against any loss incurred in connection with any such holding or deposit and it may pay all amounts required to be paid on account or in relation to any such deposit.

#### 21.4 EXONERATION OF THE ARRANGER AND THE AGENTS

None of the Arranger, the Agents or any of their respective personnel or agents shall be:

- (a) responsible for the adequacy, accuracy or completeness of any representation, warranty, statement or information in the Syndication Memorandum, any Senior Finance Document or any notice or other document delivered under any Senior Finance Document;
- (b) responsible for the execution, delivery, validity, legality, adequacy, enforceability or admissibility in evidence of any Senior Finance Document;
- (c) obliged to enquire as to the occurrence or continuation of a Default or as to the accuracy or completeness of any representation or warranty made by any Obligor under any Senior Finance Document;
- (d) responsible for any failure of any Obligor or any of the Lenders duly and punctually to observe and perform their respective obligations under any Senior Finance Document;
- (e) responsible for the consequences of relying on the advice of any professional advisers selected by any of them in connection with any Senior Finance Document;
- (f) liable for acting (or refraining from acting) in what it believes to be in the best interests of the Lenders in circumstances where it has been unable, or it is not practicable, to obtain the instructions of the Lenders or the Majority Lenders (as the case may be); or
- (g) liable for anything done or not done by it under or in connection with any Senior Finance Document, save in the case of its own gross negligence or wilful misconduct or by a material breach of any of its Obligations under the Senior Finance Documents.

#### 21.5 THE ARRANGER AND THE AGENTS INDIVIDUALLY

- (a) If it is a Lender, the Arranger and each of the Agents shall have the same rights and powers under the Senior Finance Documents as any other Lender and may exercise those rights and powers as if it were not also acting as an Arranger or an Agent.
  - (b) The Arranger and the Agents may:
    - (i) retain for its own benefit and without liability to account any fee or other amount receivable by it for its own account; and
    - (ii) accept deposits from, lend money to, provide any advisory, trust or other services to or engage in any kind of banking or other business with any party to this agreement or any subsidiary of any party (and, in each case, may do so without liability to account).



## 21.6 COMMUNICATIONS AND INFORMATION

- (a) All communications to an Obligor in connection with the Senior Finance Documents are to be made by or through the Facility Agent. Each Finance Party will notify the Facility Agent of, and provide the Facility Agent with a copy of, any communication between that Finance Party, an Obligor or any other Finance Party on any matter concerning the Facilities or the Senior Finance Documents.
- (b) No Agent will be obliged to transmit to any other Finance Party any information relating to any party to any Senior Finance Document which that Agent may have acquired otherwise than in connection with the Facilities or the Senior Finance Documents. Notwithstanding anything to the contrary expressed or implied in any Senior Finance Document, no Agent shall, as between itself and the other Finance Parties, be bound to disclose to any other Finance Party or other person any information, disclosure of which might in the opinion of that Agent result in a breach of any law or regulation or be otherwise actionable at the suit of any person or any information supplied by any Group Company to any Agent which is identified by such Group Company at the time of supply as being unpublished, confidential or price sensitive information relating to a proposed transaction by a Group Company and supplied solely for the purpose of evaluating in consultation with the relevant Agent whether such transaction might require a waiver or amendment to any of the provisions of the Senior Finance Documents.
- (c) In acting as agent for the Lenders, each Agent's banking division will be treated as a separate entity from any other of its divisions (or similar unit of that Agent in any subsequent re-organisation) or subsidiaries (the "OTHER DIVISIONS") and, if the relevant Agent acts for any Group Company in a corporate finance or other advisory capacity ("ADVISORY CAPACITY"), any information given by any Group Company to one of the Other Divisions is to be treated as confidential and will not be available to the Finance Parties without the consent of the Parent, except that:
  - (i) the consent of the Parent will not be required in relation to any information which the relevant Agent in its discretion determines relates to a Default or in relation to which the Lenders have given a confidentiality undertaking in a form satisfactory to that Agent and the relevant Group Company (acting reasonably); and
  - (ii) if representatives or employees of the relevant Agent receive information in relation to a Default whilst acting in an Advisory Capacity, they will not be obliged to disclose that information to representatives or employees of that Agent in their capacity as agent bank or security agent under this agreement or to any Lender, if to do so would breach any rule or regulation or fiduciary duty imposed upon those persons.

## 21.7 NON-RELIANCE ON THE ARRANGER AND THE AGENTS

Each Lender confirms that it is (and will at all times continue to be) solely responsible for making its own independent investigation and appraisal of the business, operations, financial condition, creditworthiness, status and affairs of each Group Company and has not relied, and will not at any time rely, on the Arranger or any Agent:

- (a) to provide it with any information relating to the business, operations, financial condition, creditworthiness, status and affairs of any Group Company, whether coming into its possession before or after the making of any Advance, except as specifically provided otherwise in this agreement; or
- (b) to check or enquire into the adequacy, accuracy or completeness of any information provided by any Group Company under or in connection with any Senior Finance Document (whether

or not that information has been or is at any time circulated to it by the Arranger or an Agent), including that contained in the Syndication Memorandum; or

- (c) to assess or keep under review the business, operations, financial condition, creditworthiness, status or affairs of any Group Company.

#### 21.8 AGENTS' INDEMNITY

- (a) Each Lender shall on demand indemnify each Agent (in proportion to that Lender's participation in the Drawings (or the Total Commitments if there are no Drawings outstanding) at the relevant time) against any loss incurred by the relevant Agent in complying with any instructions from the Lenders or the Majority Lenders (as the case may be) or otherwise sustained or incurred in connection with the Senior Finance Documents or its duties, obligations and responsibilities under the Senior Finance Documents, except to the extent that it is incurred as a result of the gross negligence or wilful misconduct of the relevant Agent or any of its personnel.
- (b) The provisions of clause 21.8(a) are without prejudice to any obligations of the Obligors to indemnify the Agents under the Senior Finance Documents.

#### 21.9 TERMINATION AND RESIGNATION OF AGENCY

- (a) An Agent (a "RETIRING AGENT") may resign its appointment at any time by giving notice to the Lenders and the Parent.
- (b) A successor Agent (a "SUCCESSOR AGENT") shall be selected:
  - (i) by the Retiring Agent nominating one of its Affiliates following consultation with the Parent as Successor Agent in its notice of resignation; or
  - (ii) if the Retiring Agent makes no such nomination, by the Majority Lenders nominating a Lender acting through an office in France as Successor Agent (following consultation with the Parent); or
  - (iii) if the Majority Lenders have failed to nominate a Successor Agent within 30 days of the date of the Retiring Agent's notice of resignation, by the Retiring Agent (following consultation with the Parent) nominating a financial institution of good standing acting through an office in France to be the Successor Agent.
- (c) The Majority Lenders may at any time with the prior consent of the Parent, such consent not to be unreasonably withheld or delayed, by 30 days' prior notice to the relevant Agent and the Parent terminate the appointment of an Agent and appoint a Successor Agent.
- (d) The resignation of the Retiring Agent and the appointment of the Successor Agent will become effective only upon the Successor Agent accepting its appointment as Agent (and, in the case of the Security Agent's resignation, upon the execution of all agreements and documents necessary to substitute its successor as holder of the security comprised in the Security Documents), at which time:
  - (i) the Successor Agent will become bound by all the obligations of the Facility Agent or Security Agent (as the case may be) and become entitled to all the rights, privileges, powers, authorities and discretions of that Agent under the Senior Finance Documents;

- (ii) the agency of the Retiring Agent will terminate (but without prejudice to any liabilities which the Retiring Agent may have incurred prior to the termination of its agency); and
- (iii) the Retiring Agent will be discharged from any further liability or obligation under or in connection with the Senior Finance Documents (except that the Retiring Agent shall pay to the Successor Agent a pro rata proportion of the agency fee referred to in clause 15.2 (Agency fee) for the 12 month period in relation to which that agency fee was most recently paid).
- (e) The Retiring Agent will co-operate with the Successor Agent in order to ensure that its functions are transferred to the Successor Agent without disruption to the service provided to the Parent and the Lenders and will, as soon as practicable following the Successor Agent's appointment, make available to the Successor Agent the documents and records which have been maintained in connection with the Senior Finance Documents in order that the Successor Agent is able to discharge its functions.
- (f) The provisions of this agreement will continue in effect for the benefit of any Retiring Agent in relation to any actions taken or omitted to be taken by it or any event occurring before the termination of its agency.

#### 21.10 ROLE OF THE SECURITY AGENT

The Security Agent shall hold the benefit of the Security Documents as agent for itself and the other Finance Parties and will apply all payments and other benefits received by it under the Security Documents in accordance with the provisions of the relevant Security Documents and this agreement.

#### 21.11 PAYMENTS TO FINANCE PARTIES

- (a) Each Agent will account to each other Finance Party for its due proportions of all amounts received by that Agent for that Finance Party, whether by way of repayment of principal or payment of interest, commitment commission, fees or otherwise.
- (b) Each Agent may retain for its own use and benefit, and will not be liable to account to any other Finance Party for all or any part of, any amounts received by way of agency or arrangement fee or by way of reimbursement of expenses incurred by it.

#### 21.12 CHANGE OF OFFICE OF AGENT

An Agent may at any time in its sole discretion by notice to the Parent and each other Finance Party designate a different office in France from which its duties as the relevant Agent will be performed from the date of notification.

### 22. PRO RATA PAYMENTS

#### 22.1 RECOVERIES

If any amount owing by any Obligor under any Senior Finance Document to a Lender (the "RECOVERING LENDER") is discharged by payment, set-off or any other manner other than through the Facility Agent in accordance with clause 12 (Payments) (that amount being referred to in this clause 22.1 as a "RECOVERY") then:

- (a) within two Business Days of receipt of the Recovery, the Recovering Lender shall pay to the Facility Agent an amount equal (or equivalent) to that Recovery;

- (b) the Facility Agent shall treat that payment as if it was part of the payment to be made by the relevant Obligor to the Lenders rateably in accordance with their respective Commitments; and
- (c) (except for any receipt by the Recovering Lender as a result of the operation of clause 23.1(b)) as between the relevant Obligor and the Recovering Lender, the Recovery shall be treated as not having been paid.

#### 22.2 NOTIFICATION OF RECOVERY

Each Lender will notify the Facility Agent as soon as reasonably practicable of any Recovery by that Lender, other than by payment through the Facility Agent. If any Recovery subsequently has to be wholly or partly refunded by the Recovering Lender which paid an amount equal to that Recovery to the Facility Agent under clause 22.1(a) (Recoveries), each Lender to which any part of that amount was distributed will, on request from the Recovering Lender, repay to the Recovering Lender that Lender's pro rata share of the amount which has to be refunded by the Recovering Lender.

#### 22.3 INFORMATION

Each Lender will on request supply to the Facility Agent any information which the Facility Agent may from time to time request for the purpose of this clause 22.

#### 22.4 EXCEPTIONS TO SHARING OF RECOVERIES

Notwithstanding the foregoing provisions of this clause 22.1, no Recovering Lender will be obliged to share any Recovery which it receives as a result of legal proceedings taken by it to recover any amounts owing to it under the Senior Finance Documents with any other party which has a legal right to, but does not, either join in those proceedings or commence and diligently pursue separate proceedings to enforce its rights in the same or another court (unless the proceedings instituted by the Recovering Lender are instituted by it without prior notice having been given to that other party through the Facility Agent).

#### 22.5 SEVERAL OBLIGATIONS

Failure by any Recovering Lender to comply with any of the provisions of this clause 22 will not release any other Recovering Lender from any of its obligations or liabilities under this clause 22.

#### 22.6 OBTAINING CONSENTS

Each party to this agreement shall take all steps required of it under clause 22.1 (Recoveries) and use its reasonable endeavours to obtain any consents or authorisations which may be required in relation to any payment to be made by it under this clause 22.

#### 22.7 NO SECURITY

The provisions of this clause 22 shall not, and shall not be construed so as to, constitute a charge by any Lender over all or any part of any amount received or recovered by it under any of the circumstances mentioned in this clause 22.

#### 23. SET-OFF

##### 23.1 SET-OFF RIGHTS

Any Finance Party may at any time after an Event of Default has occurred (without notice to the relevant Obligor):

- (a) set-off or otherwise apply amounts standing to the credit of any Obligor's accounts with that Finance Party; and
  - (b) set-off any other obligations (then due for performance) owed by that Finance Party to the relevant Obligor,
- against any liability of the relevant Obligor to the relevant Finance Party under the Senior Finance Documents which is due but unpaid.

#### 23.2 DIFFERENT CURRENCIES

A Finance Party may exercise its rights under clause 23.1 (Set-off rights) notwithstanding that the amounts concerned may be expressed in different currencies and each Finance Party is authorised to effect any necessary conversions at a market rate of exchange selected by it.

#### 24. NOTICES

##### 24.1 MODE OF SERVICE

- (a) Except as specifically provided otherwise in this agreement, any notice, demand, consent, agreement or other communication (a "NOTICE") to be served under or in connection with any Senior Finance Document will be in writing and will be made by letter or by facsimile transmission to the party to be served.
- (b) The address and facsimile number of each party to this agreement for the purposes of clause 24.1(a) are:
  - (i) the address and facsimile number shown immediately after its name on the signature pages of this agreement (in the case of any person who is a party as at the date of this agreement);
  - (ii) the address and facsimile number notified by that party for this purpose to the Facility Agent on or before the date it becomes a party to this agreement (in the case of any person who becomes a party after the date of this agreement); or
  - (iii) any other address and facsimile number notified by that party for this purpose to the Facility Agent by not less than five Business Days' notice.
- (c) Any Notice to be served by any Obligor on a Finance Party will be effective only if it is expressly marked for the attention of the department or officer (if any) specified in conjunction with the relevant address and facsimile number referred to in clause 24.1(b).

##### 24.2 DEEMED SERVICE

- (a) Subject to clause 24.2(b), a Notice will be deemed to be given as follows:
  - (i) if by letter, when delivered personally or on actual receipt; and
  - (ii) if by facsimile, when delivered.

- (b) A Notice given in accordance with clause 24.2(a) but received on a non-working day or after business hours in the place of receipt will only be deemed to be given on the next working day in that place.

#### 24.3 LANGUAGE

- (a) Any Notice must be in English.
- (b) All other documents provided under or in connection with any Senior Finance Document must be:
- (i) in English; or
  - (ii) if not in English, accompanied by a certified English translation in which case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

#### 25. CONFIDENTIALITY

Subject to clause 26.8 (Disclosure of information), the parties will keep the Senior Finance Documents, the Syndication Memorandum and their subject matter and any matter relating thereto (including all details relating to the structure and financing of the Acquisition) confidential, except to the extent that they are required by law or regulation to disclose the same.

Each Finance Party agrees with each Obligor to hold confidential all information which it acquires under or in connection with the Senior Finance Documents, except to the extent it is required by law or regulation to disclose it or it comes into the public domain (otherwise than as a result of a breach of this clause 25). A Finance Party may, however, disclose any such information to its auditors, legal advisers or other professional advisers (the "ADVISERS") for any purpose connected with the Senior Finance Documents, provided that the relevant Finance Party takes reasonable steps to procure that each Adviser maintains the confidentiality of that information.

#### 26. CHANGES TO PARTIES

##### 26.1 ASSIGNMENT BY THE OBLIGORS

No Obligor may assign or transfer all or any part of its rights, benefits or obligations under any Senior Finance Document.

##### 26.2 ASSIGNMENTS AND TRANSFERS BY LENDERS

- (a) A Lender (in this capacity the "TRANSFEROR") may, subject to Clause 26.2(b) after prior consultation with the Parent at any time assign any of its rights under any Senior Finance Document or transfer any of its rights and obligations under any Senior Finance Document to any person (a "TRANSFeree"), provided that:
- (i) in the case of an assignment or transfer by a Lender of part (but not all) of its Commitments to a Transferee which is not, at the time of the assignment or transfer, an existing Lender, the aggregate amount of the Commitments of that Lender subject to that assignment or transfer is at least EUR 2,500,000;
  - (ii) the Transferee has executed a Creditor Accession Agreement;
  - (iii) in the case of an assignment, it is made in accordance with clause 26.3 (Assignments by Lenders);

- (iv) in the case of a transfer, it is made in accordance with clause 26.4 (Transfers by Lenders); and
  - (v) in the case of a transfer of the Revolving Facility, each Issuing Lender has approved the Transferee (such approval not to be unreasonably withheld or delayed).
- (b) The Parent (for itself and as agent for the existing Obligors) will execute or procure that there are executed such documents and agreements as are necessary to effect a transfer of rights or obligations to a Transferee under this agreement.
  - (c) Nothing in this agreement will restrict the ability of a Lender to sub-participate or sub-contract any of its obligations under any Senior Finance Document if that Lender remains liable under that Senior Finance Document in relation to those obligations. A Lender shall notify the Parent of any such sub-participation or sub-contracting by it.
  - (d) The Transferee shall, under its own responsibility and at its own costs, notify the assignment of rights made in connection with the assignment or transfer to the Obligors through a bailiff in accordance with Article 1690 of the French Code Civil.

#### 26.3 ASSIGNMENTS BY LENDERS

- (a) If any Lender wishes to assign all or any of its rights and benefits under the Senior Finance Documents, the relevant Transferee shall deliver a notice to the Facility Agent confirming to the Facility Agent (on behalf of the other parties to the Senior Finance Documents (other than the Transferor and the Transferee)) that it shall be under the same obligations towards each of them as it would have been under if it had been an original party to the Senior Finance Documents as a Lender.
- (b) Upon delivery of a notice under clause 26.3(a), the relevant Transferee shall (subject to clause 26.2 (Assignments and transfers by Lenders)) become a party to the Senior Finance Documents as a Lender.

#### 26.4 TRANSFERS BY LENDERS

- (a) A Transferor may, subject to clause 26.2 (Assignments and transfers by Lenders), after prior consultation with the Parent transfer all or any of its rights and obligations under the Senior Finance Documents to a Transferee by means of a transfer effected by the Facility Agent executing a Transfer Certificate which has been duly completed and signed by both the Transferee and the Transferor.
- (b) On the later of (A) the date specified in the Transfer Certificate as being the date on or as from which the transfer under this clause 26.4 is to take effect and (B) the date on which the Facility Agent executes the Transfer Certificate, to the extent that, in the Transfer Certificate, the Transferor seeks to transfer its right and obligations under the Senior Finance Documents:
  - (i) the Transferor and the other parties to the relevant Senior Finance Documents (the "EXISTING PARTIES") will be released from their obligations to each other under those Senior Finance Documents (the "DISCHARGED OBLIGATIONS");
  - (ii) the Transferee and the Existing Parties will assume obligations towards each other which differ from the Discharged Obligations only insofar as they are owed to or assumed by the Transferee instead of the Transferor;
  - (iii) the rights of the Transferor and the Existing Parties against each other under those Senior Finance Documents (the "DISCHARGED RIGHTS") will be cancelled;

- (iv) the Transferee and the Existing Parties will acquire rights against each other which differ from the Discharged Rights only insofar as they are exercisable by or against the Transferee instead of the Transferor; and
- (v) the Transferee will become a party to this agreement as a Lender in relation to the relevant Facility.
- (c) Each of the parties to this agreement (other than the relevant Transferor and the relevant Transferee) irrevocably authorises the Facility Agent to execute on its behalf any Transfer Certificate which has been duly completed in accordance with this clause 26.4 and executed by each of the Transferor and the Transferee.
- (d) The Facility Agent will notify the other parties to this agreement of the receipt and execution by it on their behalf of any Transfer Certificate as soon as reasonably practicable following execution.
- (e) For the purposes of article 1278 of the French Civil Code, each party to this agreement agrees that upon any transfer under this clause 26.4 (Transfers by Lenders), the guarantees and Security Interests created under any of Senior Finance Documents shall be preserved for the benefit of all Finance Parties including the Transferee.

#### 26.5 FEE

On the date on which any transfer takes effect in accordance with this clause 26, the Transferee will pay to the Facility Agent for its own account a transfer fee of EUR 1,000 (VAT not included).

#### 26.6 NO CONTINUING LIABILITY

Nothing in any Senior Finance Document will oblige a Transferor to, or cause a Transferor to be liable to:

- (a) accept a re-assignment or re-transfer from a Transferee of any of the rights or obligations assigned, transferred or novated under this clause 26; or
- (b) support any losses incurred by a Transferee by reason of the non-performance by any Obligor of its obligations under any Senior Finance Document.

#### 26.7 BENEFIT OF AGREEMENT

This agreement will be binding on, and enure for the benefit of, each party to it and its or any subsequent successors or assigns.

#### 26.8 DISCLOSURE OF INFORMATION

Each Lender may disclose to a proposed assignee or transferee or any sub-participant, risk participant or other participant proposing to enter or having entered into a contract with that Lender regarding the Senior Finance Documents any information in the possession of that Lender relating to any Group Company provided that, prior to disclosing any information in accordance with this clause 26.8, a Lender will obtain from any potential assignee, transferee or sub-participant, or, as the case may be, from its Affiliate, and deliver to the Parent, a confidentiality undertaking, addressed to the Obligors, in substantially the same form as given by each Lender under clause 25 or such other form as the Parent on behalf of the Obligors may approve.

#### 26.9 NO ADDITIONAL COST TO OBLIGORS



If any assignment or transfer results, at or after the time of the assignment or transfer, in additional amounts (other than Mandatory Costs) becoming due by any Obligor under any provision of this agreement, the Transferee shall be entitled to receive such additional amounts only to the extent that the Transferor would have been so entitled had there been no such assignment or transfer.

#### 26.10 REPLACEMENT OF LENDERS

If at any time:

- (a) any Lender becomes insolvent or under administration;
- (b) the Parent becomes obliged to pay additional amounts as described in clause 14.1 (Increased Costs) to any Lender; or
- (c) any Lender refuses to agree to any request for a consent, waiver or amendment to the Finance Documents which the Borrower or the Facility Agent has requested and has otherwise been agreed to by Lenders whose Commitments exceed 90% of the Total Commitments;

then the Borrower may replace such Lender by requiring such Lender to (and such Lender shall) transfer all of its rights and obligations under this Agreement to another Lender (or another bank or financial institution) selected by the Borrower which confirms its willingness to assume and does assume all the obligations of the transferring Lender, for a purchase price equal to the outstanding principal amount of such Lender's participation in the outstanding Advances and all accrued interest and fees and other amounts payable to that Lender hereunder.

#### 27. LENDERS' DECISIONS

##### 27.1 PROCEDURES

- (a) Subject to clauses 27.2 (Exceptions) and 27.3 (Express provisions), any provision of any Senior Finance Document may be amended or waived (each a "MODIFICATION") with the agreement of the Majority Lenders and the Parent. A Modification so agreed may be effected by the Facility Agent executing any documents which may be required for that purpose on behalf of itself and all the other Finance Parties and the Parent executing those documents on behalf of itself and all the other Obligors.
- (b) The Facility Agent will as soon as practicable after any Modification is made in accordance with clause 27.1(a) notify the other parties to the Senior Finance Documents. Any such Modification will take effect from the date on which that notification is given (or any later date which the Facility Agent may specify in that notification) and will be binding on all parties to the Senior Finance Documents.

##### 27.2 EXCEPTIONS

The following matters will require the unanimous agreement of all of the Lenders:

- (a) any increase in the Commitment of any Lender;
- (b) save as otherwise provided in clause 7.6 (Margin adjustment), any reduction of the Margin or any reduction of (or change in the currency of) the amount of any payment of principal, interest, guarantee fee or commission payable by any party under any Senior Finance Document;

- (c) any extension of any Availability Period, any Maturity Date, any Repayment Date or any other date for payment of any amount due, owing or payable to any Lender under any Senior Finance Document;
- (d) any change to the Borrowers or Guarantors or any release of security, other than in accordance with clause 17 (Changes to Obligors and Security); or
- (e) any amendment of the definition of "Majority Lenders" in clause 1.1 (Definitions) or any amendment of clause 3.3 (Rights and obligations of Finance Parties), clause 22 (Pro rata payments), clause 26 (Changes to Parties) (save for any amendment of an administrative nature) or this clause 27.

### 27.3 EXPRESS PROVISIONS

Any consent or other matter which, by the express terms of any Senior Finance Document, is to be given by all the Lenders will not be effective unless all the Lenders have agreed to it but, subject to the agreement of all the Lenders having been obtained, may be given by the Facility Agent on behalf of all the Lenders.

## 28. INDEMNITIES

### 28.1 GENERAL INDEMNITY AND BREAKAGE COSTS

The Parent will indemnify each Finance Party on demand against any loss (including loss of profit) which it incurs as a result of:

- (a) the occurrence of any Event of Default;
- (b) any failure by an Obligor to pay any amount due under a Senior Finance Document on its due date;
- (c) any Drawing not being made for any reason (other than as a result of a default by a Finance Party) on the Drawdown Date specified in the relevant Drawdown Request; or
- (d) any Advance or overdue amount under a Senior Finance Document being repaid or prepaid otherwise than on the last day of an Interest Period relating to that Advance or overdue amount,

in each case upon production of duly documented evidence.

### 28.2 CURRENCY INDEMNITY

Without prejudice to clause 28.1 (General indemnity and breakage costs), if:

- (a) any amount payable by any Obligor under or in connection with any Senior Finance Document is received by any Finance Party (or by an Agent on behalf of any Finance Party) in a currency (the "PAYMENT CURRENCY") other than that agreed in the relevant Senior Finance Document (the "AGREED CURRENCY"), whether as a result of any judgement or order, the enforcement of any judgement or order, the liquidation of the relevant Obligor or otherwise, and the amount produced by converting the Payment Currency so received into the Agreed Currency is less than the relevant amount of the Agreed Currency; or
- (b) any amount payable by any Obligor under or in connection with any Senior Finance Document has to be converted from the Agreed Currency into another currency for the purpose of (i) making or filing a claim or proof against any Obligor, (ii) obtaining an order or

judgement in any court or other tribunal or (iii) enforcing any order or judgement given or made in relation to any Senior Finance Document, then that Obligor will, as an independent obligation, on demand indemnify the relevant Finance Party for the deficiency and any loss sustained as a result, upon production of duly documented evidence. Any conversion required will be made at the prevailing rate of exchange on the date and in the market determined by the relevant Finance Party as being most appropriate for the conversion. That Obligor will also pay the costs of the conversion.

### 28.3 WAIVER

The Parent waives any right it may have in any jurisdiction to pay any amount under any Senior Finance Document in a currency other than that in which it is expressed to be payable in that Senior Finance Document.

## 29. MISCELLANEOUS

### 29.1 CERTIFICATES CONCLUSIVE

Save as expressly provided otherwise in any Senior Finance Document, a certificate, determination, notification or opinion of any Finance Party stipulated for in any Senior Finance Document or as to any rate of interest or any other amount payable under any Senior Finance Document will be conclusive and binding on each Obligor, except in the case of manifest error.

### 29.2 NO IMPLIED WAIVERS

- (a) No failure or delay by any Finance Party in exercising any right, power or privilege under any Senior Finance Document will operate as a waiver of that right, power or privilege, nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise of that right, power or privilege, or the exercise of any other right, power or privilege.
- (b) The rights and remedies provided in the Senior Finance Documents are cumulative and not exclusive of any rights and remedies provided by law and all those rights and remedies will, except where expressly provided otherwise in any Senior Finance Document, be available to the Finance Parties severally and any Finance Party shall be entitled to commence proceedings in connection with those rights and remedies in its own name.
- (c) A waiver given or other consent granted by any Finance Party under any Senior Finance Document will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

### 29.3 INVALIDITY OF ANY PROVISION

If any provision of this agreement is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

## 30. GOVERNING LAW AND SUBMISSION TO JURISDICTION

### 30.1 GOVERNING LAW

This agreement (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this agreement) shall be governed by, and construed in accordance with, French law.

### 30.2 SUBMISSION TO JURISDICTION

For the benefit of each Finance Party, each Obligor irrevocably submits to the jurisdiction of the Commercial Courts of Paris (Tribunal de Commerce de Paris) for the purpose of hearing at first instance and determining any dispute arising out of this agreement and for the purpose of enforcement of any judgement against its assets.

### 30.3 ELECTION OF DOMICILE

For the benefit of each Finance Party, each Obligor (other than the Parent) irrevocably elects domicile with the Parent for the purposes of the Senior Finance Documents.

Executed on 7 December 2005.  
In six original copies.

SCHEDULE 1  
LENDERS

	TERM COMMITMENT (EUR) -----	REVOLVING COMMITMENT (EUR) -----
CALYON		
Leverage and Financial Sponsors Group		
9 quai du President Paul Doumer		
92920 Courbevoie Cedex - France	380,000,000	50,000,000
Facsimile: +33 1 41 89 39 53 / 14 33		
Attention: Jerome Del Ben / Victoria		
Becq-Giraudon		

SCHEDULE 2  
SECURITY DOCUMENTS

1. BY THE PARENT

Each of the following documents executed by the Parent in favour of the Security Agent in the agreed form:

- (a) pledge of financial instruments accounts (nantissement de compte d'instruments financiers) over all the shares of Antargaz;
- (b) a general assignment (cession) of all Receivables by way of security (pursuant to the Loi Dailly);
- (c) the agreement relating to the Refinancing Cash Collateral Account.

2. BY ANTARGAZ

Each of the following documents executed by Antargaz in favour of the Security Agent in the agreed form:

- (a) a general assignment (cession) of all Receivables by way of security (pursuant to the Loi Dailly);
- (b) pledges of financial instruments accounts (nantissements de compte d'instruments financiers) and pledges of shares (nantissements de parts sociales) over all the shares (less a maximum of 10 shares) of the following Companies held by Antargaz:
  - (i) Wogegal SA;
  - (ii) Gaz Est Distribution SA; and
  - (iii) Rhone Mediterranee Gaz SA.

SCHEDULE 3  
DOCUMENTARY CONDITIONS PRECEDENT

1. FORMALITIES CERTIFICATES

A certificate in the agreed form from each Obligor signed by its chief financial officer (or as the case may be its chief executive officer) attaching, in relation to the relevant Obligor, the following documents:

- (a) a certified copy of the statuts and extrait K-bis of such Obligor and, in respect of Antargaz only, of each of the Subsidiaries of Antargaz whose shares are pledged pursuant to the Senior Finance Documents;
- (b) a certified copy of the resolution of the board of directors of such Obligor (or equivalent) approving the transactions and matters contemplated by the Senior Finance Documents to which that Obligor is or is to be a party and the Refinancing and approving the execution, delivery and performance of each and authorising named persons to sign the Senior Finance Documents to which it is or is to be a party and any documents to be delivered by that Obligor under any of the same; and
- (c) if required under its constitutional or governing documents, a certified copy of a resolution of the shareholders' meeting of the Obligor approving (i) the transactions and matters contemplated by the Senior Finance Documents to which that Obligor is or is to be a party and (ii) the Refinancing.

2. SENIOR FINANCE DOCUMENTS

Certified copies of the following documents in the agreed form duly executed and delivered by all parties to them:

- (a) the Security Documents;
- (b) the Fees Letter;
- (c) the Intercreditor Agreement; and
- (d) the UGI Bordeaux Letter of Undertaking.

3. INDEBTEDNESS AND SECURITY INTERESTS

A certificate in the agreed form from the Parent and Antargaz signed by the chief executive officer of the Parent and the chief financial officer of Antargaz setting out the financial indebtedness of the Group as at the Signing Date and all Security Interests granted by the members of the Group as at the Signing Date (other than those securing the Existing Facilities).

4. FINANCIAL INFORMATION

Certified copies in the agreed form of:

- (a) the Original Audited Accounts;
- (b) the Original Management Accounts;
- (c) the Approved Projections.

5. ANCILLARY SECURITY NOTICES

- (a) The originals of the documents set out below to be issued in connection with the Security Documents and duly signed on behalf of each relevant Obligor:

- (i) declaration de gage and attestation de gage relating to the special charged account to which the shares of Antargaz are credited;
  - (ii) declaration de gage and attestation de gage relating to the special charged account to which the shares of Wogegal SA, Gaz Est Distribution SA and Rhone Mediterranee Gaz SA subject to a Security Document are credited;
  - (iii) a bordereau Dailly from the Parent relating to the general assignment of Receivables (to the extent required under the relevant master agreement); and
  - (iv) a bordereau Dailly from Antargaz relating to the general assignment of Receivables (to the extent required under the relevant master agreement).
- (b) All third party consents required to be obtained on or prior to the first Drawdown Date in any Security Document (including under any clause d'agrement).

#### 6. REFINANCING AND RELEASE OF EXISTING SECURITY

Evidence satisfactory to the Facility Agent that:

- (a) the Obligors have cancelled all the Existing Facilities effective on the first Drawdown Date;
- (b) all outstanding amounts under the Existing Term Facility will be fully repaid on the first Drawdown Date out of the proceeds of the Term Facility, and that all outstanding amounts (if any) under the Existing Revolving Facility will be fully repaid out of the proceeds of the cash of the Parent and as the case may be, a first Revolving Advance made on the first Drawdown Date;
- (c) Calyon as security agent of the Existing Facilities Agreement, acting on behalf of all beneficiaries (including existing hedging banks) of the security interests granted in connection with the Existing Facilities Agreement has fully released with effect on the first Drawdown Date all such existing security interests;

#### 7. FEES

Evidence satisfactory to the Facility Agent that, upon drawdown of the first Advance, all fees payable in accordance with the Fees Letter will be paid and all stamp duty and other fees (whether in relation to filings, property transfers, security or otherwise) will be paid.

#### 8. TEG LETTER

The original letter referred to in clause 7.8 (Effective global rate) substantially in the form set out in schedule 8 and counter-signed on behalf of the Parent.

#### 9. LEGAL OPINIONS

Each of the following legal opinions in agreed form:

- (a) a legal opinion of Shearman & Sterling LLP as to matters of French law relating to validity and enforceability of the Senior Finance Documents;
- (b) a legal opinion of Weil, Gotshal & Manges LLP as to matters of French law relating to capacity and authority in relation to the Obligors party to the Senior Finance Documents;



- (c) a legal opinion of Linklaters Loesch as to matters of Luxembourg law relating to the status, capacity and authority of Finco in respect of its execution of the Intercreditor Agreement; and
- (d) a legal opinion of Ashurst as to matters of English law concerning the High Yield Documents.

#### 10. FUNDS FLOW

Delivery of a satisfactory funds flow showing that aggregate proceeds (including the Term Facility) shall be sufficient to fully refinance the Existing Indebtedness and fees and other expenses incurred in connection with the Refinancing, together with the relevant instruction letters.

#### 11. TAX STRUCTURE MEMORANDUM

Delivery of a tax structure memorandum of Weil, Gotshal & Manges LLP describing the refinancing steps and related tax matters (together with a customary reliance letter).

#### 12. TAX CONSOLIDATION AGREEMENT

Delivery of a certified copy of the Tax Consolidation Agreement.

#### 13. KYC CHECKS

Delivery of satisfactory "Know your customers" checks documents.

SCHEDULE 4  
PART 1 - DRAWDOWN REQUEST - ADVANCES

To: Calyon as Facility Agent

Attention: [\_\_\_\_\_]

From: [BORROWER/PARENT]

Date: [\_\_\_\_\_]

Dear Sirs,

RE: FACILITIES AGREEMENT DATED 7 DECEMBER 2005 (THE "FACILITIES AGREEMENT")

We request a Drawing of the [TERM/ REVOLVING] Facility as follows:

- |                                |             |
|--------------------------------|-------------|
| (a) Amount:                    | EUR [_____] |
| (b) Currency                   | EUR [_____] |
| (c) Drawdown Date:             | EUR [_____] |
| (d) Interest Period:           | EUR [_____] |
| (e) Payment should be made to: | EUR [_____] |
| (f) The Borrower is:           | EUR [_____] |

We confirm that:

- (i) the representations and warranties made in clause 18 (Representations and Warranties) of the Facilities Agreement stipulated as being made or repeated on the date of this Drawdown Request are true and accurate as if made in relation to the facts and circumstances existing on that date;
- (ii) each Obligor is in full compliance with its undertakings contained in clause 19 (Undertakings) of the Facilities Agreement; and
- (iii) [no Default has occurred and is continuing or will occur as a result of the proposed Advance being made.](1) [[None of the events specified in clauses 20.3(a) to 20.3(g) has occurred and is continuing].(2)]

Terms defined in the Facilities Agreement have the same meanings when used in this request.

- -----  
[AUTHORISED SIGNATORY]  
for and on behalf of  
[BORROWER/PARENT]

- -----
- (1) For any other Drawdown Request than the first Drawdown Request.
  - (2) For the first Drawdown Request only.

PART 2 - DRAWDOWN REQUEST - BANK GUARANTEES

To: Calyon as Facility Agent

Attention: [\_\_\_\_\_]

From: [BORROWER/PARENT]

Date: [\_\_\_\_\_]

Dear Sirs,

RE: FACILITIES AGREEMENT DATED 7 DECEMBER 2005 (THE "FACILITIES AGREEMENT")

We request a Drawing of the Revolving Facility by way of issue of a Bank Guarantee as follows:

Amount:	EUR [_____]
Currency	EUR [_____]
Drawdown Date:	EUR [_____]
Beneficiary:	EUR [_____]
Expiry Date:	EUR [_____]
Obligation to be guaranteed:	EUR [_____]
The Borrower is:	EUR [_____]

We confirm that:

- (i) the representations and warranties made in clause 18 (Representations and Warranties) of the Facilities Agreement stipulated as being made or repeated on the date of this Drawdown Request are true and accurate as if made in relation to the facts and circumstances existing on that date;
- (ii) each Obligor is in full compliance with its undertakings contained in clause 19 (Undertakings) of the Facilities Agreement; and
- (iii) no Default has occurred and is continuing or will occur as a result of the proposed Advance being made.

We attach the form of the proposed Bank Guarantee.

Terms defined in the Facilities Agreement have the same meanings when used in this request.

-----  
[AUTHORISED SIGNATORY]  
for and on behalf of  
[BORROWER/PARENT]

SCHEDULE 5  
TRANSFER CERTIFICATE(3)

[(REFERRED TO IN CLAUSE 26.4 (TRANSFERS BY LENDERS))]

To: Calyon as Facility Agent  
for and on behalf of the Obligors and the Finance Parties  
(each as defined in the Facilities Agreement referred to below).

This transfer certificate (this "CERTIFICATE") relates to a facilities agreement dated 7 December 2005 between, among others, AGZ Holding (the "PARENT"), Antargaz S.A., the banks and financial institutions named in that agreement as lenders and Calyon as Facility Agent and Security Agent (as from time to time amended the "FACILITIES AGREEMENT"). Terms defined in the Facilities Agreement shall, unless otherwise defined in this Certificate, have the same meanings when used in this Certificate.

1. TRANSFEROR CONFIRMATION AND REQUEST

[NAME OF TRANSFEROR] (the "TRANSFEROR") by its execution of this Certificate:

- (a) requests [NAME OF TRANSFEREE] (the "TRANSFEREE") to accept and procure, in accordance with clause 26.4 (Transfers by Lenders), the transfer to the Transferee of the portion of the Transferor's Commitment and participation in the Facilities (and in the Advances made by it) as specified in schedule 1 to this Certificate (the "TRANSFER RIGHTS") by counter-signing this Certificate and delivering it to the Facility Agent at its address for notices under the Facilities Agreement, so as to take effect on the date specified in schedule 2 to this Certificate (the "TRANSFER DATE"); and
- (b) confirms that the details which appear in schedule 1 to this Certificate accurately record the amount of the Transferor's Commitments and the principal amount of the Transfer Rights at the date of this Certificate.

2. TRANSFEE REQUEST

The Transferee, by its execution of this Certificate, requests each Obligor and each Finance Party to accept this Certificate as being delivered under and for the purposes of clause 26.4 (Transfers by Lenders), so as to take effect in accordance with the terms of that clause on the Transfer Date.

3. TRANSFER FEE

The Transferee shall pay to the Facility Agent for the Facility Agent's own account a transfer fee of EUR [1,000] (VAT not included) as specified in clause 26.5 (Fee).

- - - - -
- (3) Each of the Transferor and Transferee should ensure that all regulatory requirements are satisfied in connection with its entry into of any Transfer Certificate.

#### 4. TRANSFEREE REPRESENTATIONS

The Transferee:

- (a) confirms that it has received from the Transferor a copy of the Facilities Agreement, together with all other documents and information which it has requested in connection with the Facilities Agreement;
- (b) confirms that it has not relied, and will not after the date of this Certificate rely, on the Transferor or any other Finance Party to check or enquire on its behalf into the legality, validity, effectiveness, adequacy, accuracy or completeness of any of those documents or that information;
- (c) agrees that it has not relied, and will not after the date of this Certificate rely, on the Transferor or any other Finance Party to assess or keep under review on its behalf the financial condition, creditworthiness, condition, affairs, status or nature of the Parent or any other party to the Facilities Agreement;
- (d) represents and warrants to the Transferor and each other Finance Party that it has the power to become a party to the Facilities Agreement as a Lender on the terms set out in the Facilities Agreement and this Certificate and has taken all necessary steps to authorise execution and delivery of this Certificate;
- (e) acknowledges the limitations on the Transferor's obligations set out in clause 26.6 (No continuing liability); and
- (f) agrees that if any Transfer Rights are rescheduled or renegotiated, the Transferee and not the Transferor will be subject to the rescheduled or renegotiated terms.

#### 5. TRANSFEREE COVENANTS

The Transferee undertakes with the Transferor and each other party to the Facilities Agreement that it will perform in accordance with its terms all those obligations which, by the terms of the Facilities Agreement, will be assumed by it following delivery of this Certificate to the Facility Agent.

#### 6. EXCLUSION OF TRANSFEROR'S LIABILITIES

Neither the Transferor nor any other Finance Party makes any representation or warranty nor assumes any responsibility in relation to the legality, validity, effectiveness, adequacy or enforceability of the Senior Finance Documents and assumes no responsibility for the financial condition of the Parent or any other party to the Senior Finance Documents or for the performance and observance by the Parent or any other Obligor of any of its obligations under the Senior Finance Documents and all of those conditions and warranties, whether express or implied by law or otherwise, are hereby excluded.

#### 7. SUBSTITUTION AND ASSUMPTION

On execution of this Certificate by the Facility Agent (on behalf of the Transferor and the Transferee), the Transferee will become a party to the Facilities Agreement on and with effect from the Transfer Date in substitution for the Transferor in relation to those rights and obligations which, by the terms of the Facilities Agreement and this Certificate, are assumed by the Transferee. A copy of this Certificate shall be notified (at the initiative and cost of the Transferee) to each Obligor through a French huissier and the Transferee shall benefit from all of the Transferor's rights under the Security Documents with respect to the Transfer Rights.

For the purposes of article 1278 of the French Civil Code, the guarantees and Security Interests created under any of Senior Finance Documents shall be preserved for the benefit of all Finance Parties including the Transferee.

8. REVOLVING COMMITMENTS

To the extent that this Certificate operates to novate Revolving Commitments, each Issuing Lender has consented to that novation in accordance with clause 26.2 (Assignments and transfers by Lenders).

9. LAW

This Certificate (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this Certificate) shall be governed by and construed in accordance with French law.

IN WITNESS of which the parties to this Certificate have duly executed this Certificate on the date which appears at the end of this Certificate.

SCHEDULE 1 TO TRANSFER CERTIFICATE

Transferor's existing Term Commitment: EUR [ ]

Transferor's existing Revolving Commitment: EUR [ ]

Portion of Transferor's existing  
[Term Commitment Term Advance] to be transferred: EUR [ ]

Portion of Transferor's existing Revolving  
Commitment to be transferred: EUR [ ]

Portion of Transferor's existing Contingent  
Liability under any relevant Bank Guarantee  
to be transferred EUR [ ]

[Participation in Revolving Advance(s) to be transferred(4):

Revolving Advance 1: Participation: EUR [ ] Interest Period: [ ] months, Maturity Date: 200[ ]

Revolving Advance 2: Participation: EUR [ ] Interest Period: [ ] months, Maturity Date: 200[ ]

[Revolving Advance [ ]:] Participation: EUR [ ] Interest Period: [ ] months, Maturity Date: 200[ ]

- -----  
(4) Only relevant if Transfer Date is during an Interest Period.

SCHEDULE 2 TO TRANSFER CERTIFICATE  
PARTICULARS RELATING TO THE TRANSFEREE

Transfer Date: \_\_\_\_\_

Lending Office: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Account for Payments: \_\_\_\_\_

Address for Notices: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

SIGNATORIES TO TRANSFER CERTIFICATE

[Transferor]

[Transferee]

By:

By:

-----  
Date: [\_\_\_\_\_]

-----  
Date: [\_\_\_\_\_]

[Facility Agent]

By:

-----  
Date: [\_\_\_\_\_]



SCHEDULE 6  
ACCESSION DOCUMENT

THIS AGREEMENT is made on [\_\_\_\_\_]

BETWEEN:

- (1) [\_\_\_\_\_] (a company incorporated in [\_\_\_\_\_] [with registered number [\_\_\_\_\_]]) (the "NEW OBLIGOR");
- (2) AGZ HOLDING (a company incorporated in France as a societe anonyme with registered number 413 765 108 RCS Paris) (the "PARENT") for itself and as agent for the existing Obligors;
- (3) Calyon in its capacity as Facility Agent under the Facilities Agreement;  
and
- (4) Calyon in its capacity as Security Agent under the Facilities Agreement.

BACKGROUND:

- (A) This agreement is entered into in connection with facilities agreement (the "FACILITIES AGREEMENT") dated 7 December 2005 between, amongst others, (1) the Parent, (2) Antargaz, (3) Calyon as Arranger, (4) the banks and financial institutions named in the Facilities Agreement as Lenders, (5) Calyon as Facility Agent and Security Agent.
- (B) This agreement has been entered into to record the admission of the New Obligor as a [Borrower/ Guarantor] under the Facilities Agreement.

IT IS AGREED as follows:

1. DEFINITIONS

Words and expressions defined in the Facilities Agreement have the same meanings when used in this agreement.

2. ADMISSION OF NEW OBLIGOR

2.1 THE NEW OBLIGOR AGREES TO BECOME:

a [Borrower/ Guarantor] under the Facilities Agreement and agrees to be bound by the terms of the Credit Agreement as a [Borrower/ Guarantor].

2.2 The New Obligor confirms the appointment of the Parent as its agent on the terms of clause 2.3 (Parent as Obligors' agent) of the Facilities Agreement.

2.3 The New Obligor confirms that its address details for notices in relation to clause 24 (Notices) are as follows:

Address: [\_\_\_\_\_]
Facsimile: [\_\_\_\_\_]
Attention of: [\_\_\_\_\_]

2.4 The parties to this agreement other than the New Obligor confirm their acceptance of the New Obligor as a [Borrower/ Guarantor] for the purpose of the Facilities Agreement].

### 3. REPRESENTATIONS

The New Obligor represents and warrants in the terms set out in 18.2 (Incorporation) to 18.5 (No contravention) inclusive and in 18.7 (Consents) and acknowledges that the Facility Agent and the Security Agent enter into this Accession Document in full reliance on those representations and warranties.

### 4. LAW AND JURISDICTION

- 4.1 This agreement (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this deed) shall be governed by and construed in accordance with French law.
- 4.2 For the benefit of each Finance Party, each of the Parent and the New Obligor irrevocably submits to the jurisdiction of the Commercial Court of Paris (Tribunal de Commerce de Paris) for the purpose of hearing and determining at first instance any dispute arising out of this agreement and for the purpose of enforcement of any judgement against its assets.
- 4.3 For the benefit of each Finance Party, the New Obligor irrevocably elects domicile with the Parent for the purposes of the Senior Finance Documents.

SIGNATORIES TO ACCESSION DOCUMENT

THE NEW OBLIGOR  
[Name]

BY:  
-----

THE PARENT  
AGZ HOLDING

BY:  
-----

for itself and as agent  
for and on behalf of  
the existing Obligors

THE FACILITY AGENT  
[Name]

BY:  
-----

for itself and as Facility Agent  
on behalf of the Lenders

THE SECURITY AGENT  
[Name]

BY:  
-----

for itself and as Security Agent  
on behalf of the Lenders

SCHEDULE 7  
AUDITORS CERTIFICATE

[HEADED NOTEBOOK OF AUDITORS]

To: Calyon as Facility Agent  
For and on behalf of the Finance Parties (each as defined in the Facilities Agreement referred to below)

Dear Sirs,

This certificate (this "CERTIFICATE") relates to a facilities agreement dated 7 December 2005 between, AGZ Holding (the "OBLIGORS"), the banks and financial institutions named in that agreement as lenders and Calyon as Facility Agent and Security Agent (as from time to time amended, the "FACILITIES AGREEMENT"). Terms defined in the Facilities Agreement shall, unless otherwise defined in this Certificate, have the same meanings when used in this Certificate.

In accordance with clause 19.10(d)(ii) of the Credit Agreement, we hereby confirm that as at the date on which the Annual Accounts for the financial year ended [ ] were prepared, the Parent was in compliance with the financial covenants contained in clause 19.11 (Financial Covenant - Leverage Ratio) of the Credit Agreement.

Leverage:

We confirm that:

- (i) as at [ ], Total Net Debt was [ ]; and  
(ii) for the financial year ended [ ], EBITDA was [ ].  
Therefore, as at [ ], the ratio of Total Net Debt to EBITDA was [ ].

-----  
[Auditors]

SCHEDULE 8  
FORM OF EFFECTIVE GLOBAL RATE LETTER

[HEADED NOTE PAPER OF CALYON]

7 DECEMBER 2005

AGZ Holding  
[INSERT ADDRESS]

Dear Sirs,

SENIOR FACILITIES AGREEMENT DATED 7 DECEMBER 2005 BETWEEN AMONG OTHERS AGZ HOLDING AS PARENT, CALYON AS ARRANGER, UNDERWRITER, FACILITY AGENT AND SECURITY AGENT AND THE LENDERS NAMED THEREIN PURSUANT TO WHICH THE LENDERS AGREED TO MAKE AVAILABLE TO THE BORROWERS EUR 380,000,000 IN TERM AND WORKING CAPITAL CREDIT FACILITIES (THE "FACILITIES") TO THE BORROWERS (THE "FACILITIES AGREEMENT").

Unless otherwise defined in this letter, words and expressions defined in the Facilities Agreement have the same meanings when used in this letter.

Pursuant to the terms of clause 7.8 (Effective global rate) of the Facilities Agreement, it was agreed that the effective global rate (taux effectif global) of the Facilities would be notified to the Parent by delivery of a separate letter from the Facility Agent (acting for itself and on behalf of the other Lenders) on or before the date of the Facilities Agreement.

This letter constitutes the separate letter referred to at clause 7.8 of the Facilities Agreement and constitutes an integral part of the Facilities Agreement.

We wish to draw your attention to the fact that, taking into account the nature of the provisions of the Facilities Agreement, and in particular the variability of the interest rate and the ability that you have to choose the length of Interest Periods, it is not possible to determine the exact effective global rate of the Facilities and we are asking you to acknowledge this fact by signing this letter.

However, for the purposes of articles L.313-1 to L.313-6 of the French Consumer Code (Code de la Consommation), we have calculated, by way of example, the effective global rate applicable to the Facilities on the basis of: (i) the making available of the entirety of the Facilities on the date of the Facilities Agreement and (ii) the following factors as at 7 December 2005:

- 3 months EURIBOR is [ ] per cent. per annum; and
- the arrangement fee and commitment fee provided for in the Facility Agreement and the estimated legal fees which relate to the transaction amount to the sums set out in a separate letter which was addressed to you today.

In application of the foregoing:

- (i) the effective global rate for the Term Facility is [\_\_] per cent. per annum, the rate for this period being [\_\_] per cent. and the period being of 1 month duration;
- (ii) the effective global rate for the revolving facility is [\_\_] per cent. per annum, the rate for this period being [\_\_] per cent. and the period being of 1 month duration.

Please acknowledge receipt of this letter by counter-signing it where indicated below.

Yours faithfully,

The Facility Agent

CALYON  
(acting for itself and on behalf of the other Lenders)

- -----  
Name:  
-----

The Parent

AGZ HOLDING

- -----  
Name:  
-----

SCHEDULE 9  
PART 1 - DISTRIBUTION COMPANIES

NAME -----	TYPE OF COMPANY -----	NUMBER -----
Wogegal ("WOGEGAL")*	Societe anonyme	310 095 658
("GAZ EST DISTRIBUTION")*	Gaz Est Distribution Societe anonyme	421 283 615
Nord GPL ("NORD GPL")*/**	Societe anonyme	422 265 504
("MIDI-PYRENEES GAZ")*	Aquitaine-Pyrenees Gaz Societe anonyme	410 968 770
- - RMG ("RMG")*	Rhone Mediterranee Gaz Societe anonyme	382 151 272
GIE Floregaz ("FLOREGAZ")	Groupement d'interets economiques	421 385 881
Engas ("ENGAS")	Societe de la Principaute d'Andorre	

\* Material Company

\*\* Nord GPL will be merged into Gaz Est Distribution

## PART 2 - STORAGE AND LOGISTICS COMPANIES

NAME -----	TYPE OF COMPANY -----	NUMBER -----
Geovexin ("GEOVEXIN")	Societe anonyme	304 350 887
Liquefies ("SOBEGAL")	Societe Bearnaise des Gaz Societe anonyme	095 880 894
Geogaz Lavera ("GEOGAZ")*	Societe anonyme	703 002 535
de Normandie ("NORGAL")*	Societe des Gaz Liquefies Groupement d'interets economiques	777 344 623
Societe en participation de Queven ("SP QUEVEN")	Societe en participation	Not applicable
Gaz Liquides ("COBOGAL")	Compagnie Bordelaise des Societe anonyme	456 201 011
Rhone Gaz ("RHONE GAZ")	Societe anonyme	969 507 235
Gaz de Petrole de l'Ouest	Societe Industrielle des Societe a responsabilite limitee ("SIGAP OUEST")	026 180 216
GIE Donges ("DONGES")*	Groupement d'interets economiques	438 640 914

\* Material Company



SCHEDULE 10  
PART 1 - SUPPLY AGREEMENTS

- (a) The supply agreement dated 27 March 2001, as amended on 29 March 2002, 1 April 2002, 1 July 2002, 6 December 2002, 30 May 2003, 29 May 2004, 30 May 2005 and from time to time, between Total Gaz SNC (which has been substituted to Elf Antar France) and the Parent for the supply by Total Gaz SNC to the Parent of butane and propane (the "PRINCIPAL SUPPLY AGREEMENT"), together with each document that is governed by, or entered into pursuant to that supply agreement.
- (b) The supply agreement dated 2 April 2001, between the Parent and Antargaz, as amended on 1 April 2002, 1 July 2004, 1 July 2005 and from time to time, for the supply by the Parent to Antargaz of butane and propane.
- (c) The letter dated 27 March 2001 from the Parent to Elf Antar France in the agreed form relating to certain circumstances in which the Parent may transfer the benefit of the Principal Supply Agreement to Antargaz.

PART 2 - OTHER MATERIAL CONTRACTS

1. NOR GAL

The contract governing the Groupement d'Interets Economiques Norgal and the allocation of payments to and charges to the parties to the Groupement d'Interets Economiques Norgal; and

2. GEOGAZ

The agreement governing the invoicing by Geogaz to its shareholders of payments calculated on the basis of the volume made available to each of them and on their traffic accounted for according to the different means of loading and unloading by applying fixed tariffs decided upon by the Conseil d' Administration of Geogaz.

3. GROUPEMENT DONGES

The contract governing Groupement Donges, the internal regulation (reglement interieur) of Groupement Donges and the operating rules (regles d'exploitation) relating to Groupement Donges (each as amended from time to time).

SCHEDULE 11  
MANDATORY COST FORMULAE

1. The Mandatory Cost is an addition to the interest rate to compensate Lenders for the cost of compliance with (a) the requirements of the Bank of England and/or the Financial Services Authority (or, in either case, any other authority which replaces all or any of its functions) or (b) the requirements of the European Central Bank.
2. On the first day of each Interest Period (or as soon as possible thereafter) the Facility Agent shall calculate, as a percentage rate, a rate (the "ADDITIONAL COST RATE") for each Lender, in accordance with the paragraphs set out below. The Mandatory Cost will be calculated by the Facility Agent as a weighted average of the Lenders' Additional Cost Rates (weighted in proportion to the percentage participation of each Lender in the relevant Advance) and will be expressed as a percentage rate per annum.
3. The Additional Cost Rate for any Lender lending from a Lending Office in a Participating Member State will be the percentage notified by that Lender to the Facility Agent. This percentage will be certified by that Lender in its notice to the Facility Agent to be its reasonable determination of the cost (expressed as a percentage of that Lender's participation in all Advances made from that Lending Office) of complying with the minimum reserve requirements of the European Central Bank in respect of loans made from that Lending Office.
4. The Additional Cost Rate for any Lender lending from a Lending Office in the United Kingdom will be calculated by the Facility Agent as follows:

$$\frac{E \times 0.01}{300} \text{ per cent. per annum.}$$

Where:

- E is designed to compensate Lenders for amounts payable under the Fees Rules and is calculated by the Facility Agent as being the average of the most recent rates of charge supplied by the Reference Banks to the Facility Agent pursuant to paragraph 6 below and expressed in pounds per GBP 1,000,000.
5. For the purposes of this Schedule:
    - (a) "FEES RULES" means the rules on periodic fees contained in the FSA Supervision Manual or such other law or regulation as may be in force from time to time in respect of the payment of fees for the acceptance of deposits;
    - (b) "FEE TARIFFS" means the fee tariffs specified in the Fees Rules under the activity group A.1 Deposit acceptors (ignoring any minimum fee or zero rated fee required pursuant to the Fees Rules but taking into account any applicable discount rate); and
    - (c) "TARIFF BASE" has the meaning given to it in, and will be calculated in accordance with, the Fees Rules.
  6. If requested by the Facility Agent, each Reference Bank shall, as soon as practicable after publication by the Financial Services Authority, supply to the Facility Agent, the rate of charge payable by that Reference Bank to the Financial Services Authority pursuant to the Fees Rules in respect of the relevant financial year of the Financial Services Authority (calculated for this purpose by that Reference Bank as being the average of the Fee Tariffs applicable to that Reference Bank for that financial year) and expressed in pounds per GBP 1,000,000 of the Tariff Base of that Reference Bank.

7. Each Lender shall supply any information required by the Facility Agent for the purpose of calculating its Additional Cost Rate. In particular, but without limitation, each Lender shall supply the following information on or prior to the date on which it becomes a Lender:

- (a) the jurisdiction of its Lending Office; and
- (b) any other information that the Facility Agent may reasonably require for such purpose.

Each Lender shall promptly notify the Facility Agent of any change to the information provided by it pursuant to this paragraph.

8. The rates of charge of each Reference Bank for the purpose of E above shall be determined by the Facility Agent based upon the information supplied to it pursuant to paragraphs 6 above.
9. The Facility Agent shall have no liability to any person if such determination results in an Additional Cost Rate which over or under compensates any Lender and shall be entitled to assume that the information provided by any Lender or Reference Bank pursuant to paragraphs 3, 6 and 7 above is true and correct in all respects.
10. The Facility Agent shall distribute the additional amounts received as a result of the Mandatory Cost to the Lenders on the basis of the Additional Cost Rate for each Lender based on the information provided by each Lender and each Reference Bank pursuant to paragraphs 3, 6 and 7 above.
11. Any determination by the Facility Agent pursuant to this Schedule in relation to a formula, the Mandatory Cost, an Additional Cost Rate or any amount payable to a Lender shall, in the absence of manifest error, be conclusive and binding on all parties.
12. The Facility Agent may from time to time, after consultation with the Parent and the Lenders, determine and notify to all parties any amendments which are required to be made to this Schedule in order to comply with any change in law, regulation or any requirements from time to time imposed by the Bank of England, the Financial Services Authority or the European Central Bank (or, in any case, any other authority which replaces all or any of its functions) and any such determination shall, in the absence of manifest error, be conclusive and binding on all parties.

SIGNATORIES TO THE FACILITIES AGREEMENT

PARENT

AGZ HOLDING

/s/ Francois Varagne

-----  
By: Francois Varagne  
Directeur General Delegue

NOTICE DETAILS

Address: Immeuble Les Renardieres  
3, place de Saverne  
92400 Courbevoie  
Facsimile: 33 1 41 88 73 13  
Attention: Finance Director

ANTARGAZ

/s/ Francois Varagne

-----  
By: Francois Varagne  
President-Directeur General

NOTICE DETAILS

Address: Immeuble Les Renardieres  
3, place de Saverne  
92400 Courbevoie  
Facsimile: 33 1 41 88 73 13  
Attention: Finance Director

ARRANGER, LENDER, FACILITY AGENT AND SECURITY AGENT  
CALYON

/s/ Jacques Pochon and Jerome Del Ben

-----  
By: Jacques Pochon and Jerome Del Ben

NOTICE DETAILS

Address: Leverage and Financial Sponsors Group  
9 quai du President Paul Doumer  
92920 Courbevoie Cedex  
France  
Facsimile: +33 1 41 89 39 53 / 14 33  
Attention: Jerome Del Ben / Victoria Becq-Giraudon

Dated 7 December 2005

AGZ HOLDING  
as Pledgor

CALYON  
as Security Agent

and

THE LENDERS

-----

PLEDGE OF FINANCIAL INSTRUMENTS ACCOUNT  
RELATING TO FINANCIAL INSTRUMENTS  
HELD BY AGZ HOLDING IN ANTARGAZ

-----

SHEARMAN & STERLING LLP

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THIS PLEDGE OF FINANCIAL INSTRUMENTS ACCOUNT (THE "PLEDGE") IS MADE ON 7  
DECEMBER 2005

BETWEEN:

- (1) AGZ HOLDING, a French societe anonyme, with number 413 765 108 RCS Nanterre, having its registered office at Immeuble Les Renardieres - 3, place de Saverne, 92400 Courbevoie, France;

(hereinafter referred to as the "PLEDGOR");

- (2) CALYON, a company (societe anonyme) incorporated under the laws of France, having its registered office 9 quai du president Paul Doumer, 92920 Paris la Defense Cedex (France), registered under number 304 187 701 RCS Nanterre, represented by Jacques Pochon and Jerome Del Ben duly empowered for the purposes hereof,

(hereinafter referred to as the "SECURITY AGENT");

- (3) The banks and financial institutions named in schedule 1 (the "ORIGINAL LENDERS") and any bank or financial institution which may from time to time become a Lender under the Senior Facilities Agreement;

(hereinafter, together, referred to as the "LENDERS").

WHEREAS:

(A) Pursuant to a senior facilities agreement dated 7 December 2005 (hereinafter, as amended and restated from time to time, the "SENIOR FACILITIES AGREEMENT"), and entered into between, among others, (i) the Pledgor as the Parent, Borrower and Guarantor (ii) the Original Lenders and (iii) Calyon as Mandated Lead Arranger, Facility Agent and Security Agent, the Original Lenders have agreed to make available (a) to the Pledgor a term loan facility in a maximum aggregate principal amount of E380,000,000 (the "TERM LOAN FACILITY") and (b) to the Pledgor, Antargaz and certain of its subsidiaries a revolving credit facility in a maximum aggregate principal amount of E50,000,000 (the "REVOLVING FACILITY" and together with the Term Loan Facility, the "FACILITIES").

(B) The Pledgor is a Borrower and a Guarantor under the Senior Facilities Agreement.

- (C) It is a condition precedent to the availability of the Facilities that the Pledgor grant in favour of the Beneficiaries a pledge over the Account.



IT IS AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Pledge

"ACCOUNT" means, the (i) special financial instruments account ("compte special") the details of which are specified in the Declaration de Gage, opened in the name of the Pledgor in the books of the Company as account holder (teneur de compte), in which the Financial Instruments are registered and (ii) the Special Cash Account;

"ARTICLE L. 431-4" means article L. 431-4 of the French Monetary and Financial Code (Code Monetaire et Financier);

"BENEFICIARIES" means the entities identified in paragraph IV of the Declaration de Gage;

"BORROWER" means a Borrower under, and as defined in, the Senior Facilities Agreement;

"COMPANY" means Antargaz, a French societe anonyme with a share capital of E3,935,349, registered with number 572 126 043 RCS Nanterre and having its registered office at Immeuble Les Renardieres - 3 place de Saverne, 92400 Courbevoie, France;

"CONFIRMATION OF PLEDGE" means, the confirmation of pledge (attestation de nantissement de compte d'instruments financiers) in the form attached as Schedule 4;

"DECLARATION DE GAGE" has the meaning which is given to it in clause 2.4 of this Pledge;

"DISCHARGE DATE" means the date on which all of the Secured Liabilities have been irrevocably and unconditionally discharged in full and none of the Beneficiaries has any continuing obligation to any company in the Group under or in connection with any of the Finance Documents;

"EVENT OF DEFAULT" means an event defined as an Event of Default in the Senior Facilities Agreement;

"FINANCIAL INSTRUMENTS" means, (i) the 516,440 ordinary shares of the Company held by the Pledgor, and (ii) all other financial instruments which would be registered in the Pledged Account in accordance with this Pledge;

"GUARANTOR" has the meaning given to it in the Senior Facilities Agreement;

"SECURED LIABILITIES" means all money and liabilities now or hereafter due, owing or incurred to the Beneficiaries (or any of them) by the Pledgor under the Senior Finance Documents (or any of them), and under this Pledge in whatsoever manner in any currency or currencies whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred in connection therewith;

"SECURITY PERIOD" means the period beginning on the date hereof and ending on the Discharge Date;

"SENIOR FINANCE DOCUMENTS" has the meaning given to it in the Senior Facilities Agreement;

"SPECIAL ACCOUNT HOLDER" means Calyon; and

"SPECIAL CASH ACCOUNT" means, the special bank account opened in the name of the Pledgor in the books of the Special Account Holder, which pursuant to Article L. 431-4, forms part of the Account, and the reference of which are specified in the Declaration de Gage.

- 1.2 Capitalised terms used in this Pledge (including the Recitals) and not otherwise defined herein shall have the meaning ascribed thereto in the Senior Facilities Agreement.

## 2. PURPOSE

- 2.1 As security for the repayment, discharge and performance of all the Secured Liabilities, the Pledgor hereby pledges the Account in favour of the Beneficiaries.
- 2.2 (a) In accordance with Article L. 431-4, all Financial Instruments initially registered in the Pledged Account, those which may be substituted therefor or added thereto in any manner whatsoever, as well as any income and proceeds (fruits et produits) therefrom in any currency whatsoever are automatically incorporated in the scope of the Pledge without any such operation constituting in any manner a novation of the rights or the security granted to the Beneficiaries under the Pledge.
- (b) In addition, if the Pledgor subsequently subscribes or purchases in any manner whatsoever other financial instruments (instruments financiers) issued by the Company that are not automatically included in the scope of the Pledge pursuant to paragraph (a) of this Clause 2, the Pledgor shall transfer the said financial instruments to the Pledged Account and the said financial instruments shall therefore be included in the scope of the Pledge in accordance with (I) of Article L. 431-4. The Pledgor shall execute all such documents and take all such other actions as may be necessary or appropriate to effect such transfer.
- 2.3 In accordance with Article L. 431-4, the Financial Instruments and the sums in any currency whatsoever subsequently registered in the Pledged Account, as a security for the performance by the Pledgor of the Secured Obligations, are subject to the same terms as those initially registered and are considered as if they were so registered at the date of the initial Declaration de Gage.
- 2.4 All income and proceeds (fruits et produits) in cash payable in respect to the Financial Instruments, including without limitation all dividends and other distributions in cash to which the Financial Instruments give right as well as all cash amounts payable in respect of or in substitution for any of the Financial Instruments shall be paid to the Special Cash Account. By executing the Confirmation of Pledge, the Company shall accept to make such payments to the Special Cash Account. So long as no Event of Default has occurred and has been notified to the Pledgor, the Pledgor is hereby authorised by the Beneficiaires to withdraw from the Special Cash Account all income and proceeds (fruits et produits) which have been credited therein. This authorisation may be revoked by the Security Agent on behalf of the Beneficiaries, by simple notice (substantially in the form of Schedule 6) of the Security Agent to the Special Account Holder (with a copy to the Pledgor) upon the occurrence of an Event of Default, for so long it is not remedied, waived or ended in any way whatsoever. Upon receipt of such notice by the Special Account Holder, all amounts standing to the credit of the Special Cash Account, shall become unavailable for the Pledgor until a notification to the contrary is received from the Security Agent (which shall occur at the Pledgor's expense as soon as reasonably practicable when such Event of Default is no longer continuing). In accordance with Article L. 431-4, the

Special Cash Account is considered to be part of the Pledged Account at the date of the signature of the Declaration de Gage.

2.5 The Pledgor shall take all necessary steps requested by the Security Agent (including, without limitation, signature of the "Declaration de Gage de compte d'instruments financiers" in the form set out in schedule 6) (the "DECLARATION DE GAGE"), as soon as possible, so that following execution of this Pledge:

- (a) the Financial Instruments are transferred to the Account indicating the pledge in favour of the Beneficiaries;
- (b) the pledge granted over the Account under this Pledge is registered in the share transfer register of the Company; and
- (c) an "Attestation de constitution de gage de compte d'instruments financiers" in the form set out in schedule 4 is delivered by the Company to the Security Agent.

### 3. REPRESENTATIONS AND WARRANTIES

The Pledgor represents and warrants to the Security Agent and to each of the Beneficiaries as at the date hereof and for the duration of the Security Period, that:

- (a) the Financial Instruments are registered, have been fully paid up, represent (as of the date of this Pledge) 99.99% of the Company's share capital and will continue to represent at all times (provided such reduction is authorised pursuant to the Senior Finance Documents) at least 95.00% of the Company's share capital;
- (b) it is the owner of the Account and the registered owner of the Financial Instruments and it has not created, incurred or permitted to subsist any Security Interest or other encumbrance whatsoever over the Account or the other than the Security Interest granted pursuant to this Pledge;
- (c) there is no purchase option outstanding or in existence in relation to all or part of the Financial Instruments, no scheme exists for the purchase or subscription of Financial Instruments in the Company, and more generally there exists no agreement by which the Company has undertaken to issue new Financial Instruments or securities giving access to the share capital of the Company, all except as permitted under the Finance Documents;
- (d) the Pledge has been approved by the Company pursuant to a board resolution dated 2 December 2005;
- (e) there is no shareholders' agreement, pre-emption clause nor any other agreement or clause which would prevent the performance of this Pledge in accordance with its terms;
- (f) the payment of, or the provision of security for, the Secured Liabilities by the Pledgor does not require any authorisation of any authority whatsoever, including, without limitation, from the administrative bodies of the Pledgor other than those previously obtained and no authorisation from the administrative bodies of the Pledgor or of the Company or of any authority whatsoever is required for the enforcement of this Pledge; and

- (g) this Pledge is valid and enforceable in accordance with its terms and creates a pledge ranking above the rights that any other person may have over the Account or the Financial Instruments or over the proceeds of any sale of the Financial Instruments.

#### 4. UNDERTAKINGS

4.1 For the duration of the Security Period, the Pledgor undertakes:

- (a) not to transfer nor to sell the Financial Instruments, or any of them, without the prior written consent of the Security Agent acting on behalf of the Beneficiaries;
- (b) not to create, incur or permit to subsist any Security Interest or encumbrance of any sort whatsoever over the Account or the Financial Instruments other than in favour of the Beneficiaries;
- (c) save as otherwise permitted by the Senior Finance Documents, to procure that the Company shall not issue new Financial Instruments and more generally to procure that the Company shall not change its share capital;
- (d) to the extent permitted under French law, not to exercise the voting rights or to pass any resolutions attached to the Financial Instruments which may adversely change the terms of the Financial Instruments (or any class of them) or prejudice the Security Interest created hereunder; and
- (e) to take any action, carry out any formalities and more generally do anything the Security Agent may reasonably consider necessary in order to permit the Security Agent or the other Beneficiaries to exercise, at any time, the rights and claims which it or the other Beneficiaries hold by virtue of this Pledge.
- (f) instruct the Special Account Holder to deliver to the Security Agent, with respect to the Special Cash Account, an attestation de constitution de gage de compte especes special substantially in the form set out in Schedule 8 duly executed by the Special Account Holder.

- 4.2 Notwithstanding anything contained herein, the Pledgor shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of the Financial Instruments and the Account and none of the Beneficiaries shall be required in any manner to perform or fulfil any obligation of the Pledgor in respect of the Financial Instruments of the Account or to make any payment received by them, or to receive any enquiry as to the nature or sufficiency of any payment received by them, or to present or to file any claim or take any other action to collect or enforce the payment of any amount to which they may have been or to which they may be entitled hereunder at any time or times.

#### 5. ENFORCEMENT

Following the occurrence of a payment default under the Secured Liabilities and without prejudice to any other right or action whatsoever which may be exercised or taken independently or concurrently, the Security Agent, acting on behalf of the Beneficiaries, may enforce its rights under the Pledge up to the limit of the Secured Liabilities in accordance with article L. 521-3 of the Code de Commerce and article 2078 of the French Civil Code.

## 6. DURATION

- 6.1 This Pledge shall remain in full force and effect throughout the Security Period.
- 6.2 The Security Agent acting upon instructions of the Beneficiaries undertakes to procure the release of the Pledge on or as soon as practicable after the Discharge Date.

## 7. NOTICE

Except as specifically provided otherwise in this Pledge, any notice, demand or other communication to be served under or in connection with this Pledge shall be made in accordance with clause 24 (Notices) of the Senior Facilities Agreement.

## 8. MISCELLANEOUS

- 8.1 This Pledge does not exclude or limit in any way the other rights of the Security Agent or the other Beneficiaries and does not affect the nature or the extent of the liabilities which have been or which may exist between the Pledgor and the Security Agent or the other Beneficiaries.
- 8.2 Where any clause of this Pledge shall be or become illegal, invalid or unenforceable it is agreed that the other provisions of this Pledge shall remain legal, valid and enforceable against the parties to this Pledge independently of the said illegal, invalid or unenforceable clauses.
- 8.3 No payment to the Security Agent and/or the other Beneficiaries whether under any judgment or court order or otherwise shall discharge the obligation or liability of the Pledgor unless and until the Security Agent and/or the other Beneficiaries shall have received payment in full in the currency in which the obligation or liability was incurred and to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency the Security Agent and/or the other Beneficiaries shall have a further cause of action against the Pledgor to recover the amount of the shortfall.
- 8.4 In the event of a transfer by way of a novation of all or part of the rights and obligations by the Beneficiaries under any Senior Finance Document, the Beneficiaries expressly reserve (and all the parties to this Pledge expressly agree to that), the rights, powers, privileges and actions that they enjoy under this Pledge in favour of their successors, in accordance with the provisions of articles 1278 and following of the French Civil Code.

## 9. EXPENSES

The Pledgor will promptly following demand pay to each of the Security Agent and/or the other Beneficiaries any expense (including legal fees and other out of pocket expenses and any Taxes thereon) or loss which the Security Agent and/or the other Beneficiaries may have properly incurred in connection with the preservation, enforcement or attempted preservation or enforcement of, the Security Agent's or the other Beneficiaries rights under, this Pledge including any present or future stamp or other taxes or duties and any penalties or interest with respect thereto which may be imposed by any competent jurisdiction in connection with the execution or enforcement of this Pledge all upon presentation of duly documented evidence.

#### 10. FURTHER ASSURANCES

The Pledgor agrees that from time to time, at its own expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that the Security Agent may reasonably request, in order to perfect and protect any Security Interest granted or purported to be granted hereby or to enable the Security Agent to exercise and enforce its rights and remedies hereunder with respect to the relevant Account.

#### 11. APPLICABLE LAW AND JURISDICTION

11.1 This Pledge shall be governed by and construed in all respects in accordance with French law.

11.2 Any dispute arising out of or in connection with this Pledge shall be submitted to the Commercial Court of Paris (Tribunal de Commerce de Paris) for the purpose of hearing and determining at first instance any dispute arising out of this Pledge.

THE PLEDGOR:  
AGZ HOLDING

THE SECURITY AGENT:  
CALYON

Acting by: /s/ Francois Varagne

Acting by: /s/ Jacques Pochon and Jerome Del Ben

-----  
Name: Francois Varagne or any duly empowered  
person under a power of attorney  
Title: Directeur General Delege

-----  
Name: Jacques Pochon and Jerome Del Ben  
Title: Head of Acquisition Finance  
France and Associate Director

Address: Immeuble Les Renardieres  
3, Place de Saverne  
92400 Courbevoie, France

Address CALYON  
Leverage and Financial Sponsors Group  
9 quai du President Paul Doumer  
92920 Courbevoie Cedex  
France

Fax: +33 1 41 88 73 15  
For the attention of Francois Varagne

Fax: +33 1 41 89 39 53/14 33  
For the attention of Jerome Del Ben/Victoria  
Becq-Giraudon

THE ORIGINAL LENDERS:  
CALYON

Acting by: /s/ Jacques Pochon and Jerome Del Ben

-----  
Name: Jacques Pochon and Jerome Del Ben  
Title: Head of Acquisition Finance  
France and Associate Director

Address CALYON  
Leverage and Financial Sponsors Group  
9 quai du President Paul Doumer  
92920 Courbevoie Cedex  
France

Fax: 33 1 41 89 39 53/14 33  
For the attention of Jerome Del Ben/Victoria  
Becq-Giraudon

SCHEDULE 1  
THE ORIGINAL LENDERS

CALYON, 9 quai du president Paul Doumer,  
92920 Paris La Defense cedex, France



Dated 7 December 2005

ANTARGAZ  
as Pledgor

CALYON  
as Security Agent

and

THE REVOLVING LENDERS

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PLEDGE OF FINANCIAL INSTRUMENTS ACCOUNTS  
RELATING TO FINANCIAL INSTRUMENTS  
HELD BY ANTARGAZ IN CERTAIN SUBSIDIARY COMPANIES

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SHEARMAN & STERLING LLP

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THIS PLEDGE OF FINANCIAL INSTRUMENTS ACCOUNTS (THE "PLEDGE AGREEMENT") IS MADE  
ON 7 DECEMBER 2005

BETWEEN:

- (1) ANTARGAZ, a French societe anonyme with a share capital of E3,935,349, having its registered office at Immeuble Les Renardieres - 3, Place de Saverne, 92400 Courbevoie, France and registered in France with number 572 126 043 RCS Nanterre;

(hereinafter referred to as the "PLEDGOR");

- (2) CALYON, a company (societe anonyme) incorporated under the laws of France, having its registered office 9 quai du president Paul Doumer, 92920 Paris la Defense Cedex (France), registered under number 304 187 701 RCS Nanterre, represented by Jacques Pochon and Jerome Del Ben duly empowered for the purposes hereof,

(hereinafter referred to as the "SECURITY AGENT");

- (3) The banks and financial institutions named in schedule 1 (the "ORIGINAL REVOLVING LENDERS") and any bank or financial institution which may from time to time become a Revolving Lender under the Senior Facilities Agreement;

(hereinafter, together, referred to as the "REVOLVING LENDERS").

WHEREAS:

(A) Pursuant to a senior facilities agreement dated 7 December 2005 (hereinafter, as amended and restated from time to time, the "SENIOR FACILITIES AGREEMENT") and entered into between, among others, (i) AGZ Holding as the Parent (the "PARENT"), (ii) the persons named therein as Borrowers and/or Guarantors, (iii) the Original Revolving Lenders and (iii) Calyon as Mandated Lead Arranger, Facility Agent and Security Agent, the Original Revolving Lenders have agreed to make available to the Parent, the Pledgor and certain of its subsidiaries a revolving credit facility in a maximum aggregate principal amount of E50,000,000 (the "REVOLVING FACILITY").

(B) The Pledgor is a party to the Senior Facilities Agreement as Borrower and Guarantor under the Revolving Facility.

(C) It is a condition precedent to the availability of the Revolving Facility that the Pledgor grant in favour of the Beneficiaries a pledge over each of the Accounts.

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Pledge

"ACCOUNT" means the (i) special financial instruments account ("compte special") the details of which are specified in each Declaration de Gage, opened in the name of the Pledgor in the books of the relevant Company as account holder (teneur de compte), in which the relevant Financial Instruments are registered and (ii) the relevant Special Cash Account;

"ARTICLE L. 431-4" means article L. 431-4 of the French Monetary and Financial Code (Code Monetaire et Financier);

"BENEFICIARIES" means the entities identified in paragraph III of each Declaration de Gage;

"BORROWER" means a Borrower under, and as defined in, the Senior Facilities Agreement;

"COMPANY" means each company listed in schedule 2 and "Companies" means all of them;

"CONFIRMATION OF PLEDGE" means, for each Pledge, the confirmation of pledge (attestation de nantissement de compte d'instruments financiers) in the form attached as Schedule 5;

"DECLARATION DE GAGE" has the meaning which is given to it in clause 2.4 of this Pledge Agreement;

"DISCHARGE DATE" means the date on which all of the Secured Liabilities have been irrevocably and unconditionally discharged in full and none of the Beneficiaries has any continuing obligation to any company in the Group under or in connection with the Revolving Facility;

"EVENT OF DEFAULT" means an event defined as an Event of Default in the Senior Facilities Agreement;

"FINANCIAL INSTRUMENTS" means, in respect of each Company listed in schedule 2, (i) the number of shares (as set out opposite the name of that Company in schedule 2 of this Pledge) equal to the total number of shares held by the Pledgor in that Company minus a maximum of ten (10) shares and (ii) all other financial instruments which would be registered in the Pledged Account in accordance with this Pledge;

"GUARANTOR" has the meaning given to it in the Senior Facilities Agreement;

"SECURED LIABILITIES" means all money and liabilities now or hereafter due, owing or incurred to the Beneficiaries (or any of them) by the Pledgor under the Senior Finance Documents (or any of them), and under this Pledge in whatsoever manner in any currency or currencies whether present or future, actual or contingent, whether incurred solely or jointly with any other person and whether as principal or surety together with all interest accruing thereon and all costs, charges and expenses incurred in connection therewith;

"SECURITY PERIOD" means the period beginning on the date hereof and ending on the Discharge Date;

"SENIOR FINANCE DOCUMENTS" has the meaning given to it in the Senior Facilities Agreement;

"SPECIAL ACCOUNT HOLDER" means Calyon; and

"SPECIAL CASH ACCOUNT" means, for each Pledge, the relevant special bank account opened in the name of the Pledgor in the books of the relevant Special Account Holder, which pursuant to Article L. 431-4 of the French Code Monétaire et Financier, forms part of the relevant Account, and the reference of which are specified in the relevant Declaration de Gage.

- 1.2 Capitalised terms used in this Pledge (including the Recitals) and not otherwise defined herein shall have the meaning ascribed thereto in the Senior Facilities Agreement.

## 2. PURPOSE

- 2.1 As security for the repayment, discharge and performance of all the Secured Liabilities, the Pledgor hereby pledges each of the Accounts in favour of the Beneficiaries.
- 2.2 (a) In accordance with Article L. 431-4, all Financial Instruments initially registered in the relevant Pledged Account, those which may be substituted therefor or added thereto in any manner whatsoever, as well as any income and proceeds (fruits et produits) therefrom in any currency whatsoever are automatically incorporated in the scope of the relevant Pledge without any such operation constituting in any manner a novation of the rights or the security granted to the Beneficiaries under the Pledge.
- (b) In addition, if the Pledgor subsequently subscribes or purchases in any manner whatsoever other financial instruments (instruments financiers) issued by the Company that are not automatically included in the scope of the relevant Pledge pursuant to paragraph (a) of this Clause 2, the Pledgor shall transfer the said financial instruments to the relevant Pledged Account and the said financial instruments shall therefore be included in the scope of the relevant Pledge in accordance with I of Article L. 431-4. The Pledgor shall execute all such documents and take all such other actions as may be necessary or appropriate to effect such transfer.
- 2.3 In accordance with Article L. 431-4, the Financial Instruments and the sums in any currency whatsoever subsequently registered in the relevant Pledged Account, as a security for the performance by the Pledgor of the Secured Obligations, are subject to the same terms as those initially registered and are considered as if they were so registered at the date of the initial Declaration de Gage.
- 2.4 All income and proceeds (fruits et produits) in cash payable in respect to the Financial Instruments, including without limitation all dividends and other distributions in cash to which the Financial Instruments give right as well as all cash amounts payable in respect of or in substitution for any of the relevant Financial Instruments shall be paid to the relevant Special Cash Account. By executing the relevant Confirmation of Pledge, the Company shall accept to make such payments to the relevant Special Cash Account. So long as no Event of Default has occurred and has been notified to the Pledgor, the Pledgor is hereby authorised by the Lenders to withdraw from the relevant Special Cash Account all income and proceeds (fruits et produits) which have been credited therein. This authorisation may be revoked by the Security Agent on behalf of the Beneficiaries, by simple notice (substantially in the form of Schedule 6) of the Security Agent to the relevant Special Account Holder (with a copy to the Pledgor) upon the occurrence of an Event of Default, for so long it is not remedied, waived or ended in any way whatsoever. Upon receipt of such notice by the relevant Special Account Holder, all amounts standing to the credit of the relevant Special Cash Account, shall become unavailable for the

Pledgor until a notification to the contrary is received from the Security Agent (which shall occur at the Pledgor's expense as soon as reasonably practicable when such Event of Default is no longer continuing). In accordance with Article L. 431-4, the relevant Special Cash Account is considered to be part of the Pledged Account at the date of the relevant signature of the Declaration de Gage.

2.5 The Pledgor shall take all necessary steps requested by the Security Agent (including, without limitation, signature of a "Declaration de Gage de compte d'instruments financiers" in the form set out in schedule 3 in relation to each Company) (each a "DECLARATION DE GAGE"), as soon as possible, so that following execution of this Pledge:

- (a) the Financial Instruments are transferred to the relevant Pledged Account opened in the name of the Pledgor with the relevant Company and indicating the pledge in favour of the Beneficiaries;
- (b) the pledge granted over each of the Accounts under this Pledge is registered in the share transfer register of the relevant Company; and
- (c) an "Attestation de constitution de gage de compte d'instruments financiers" in the form set out in schedule 5 is delivered by each Company to the Security Agent.

### 3. REPRESENTATIONS AND WARRANTIES

The Pledgor represents and warrants to the Security Agent and to each of the Beneficiaries as at the date hereof and for the duration of the Security Period, that:

- (a) the Financial Instruments are registered, have been fully paid up, and represent at the date hereof the percentage of the share capital of each such Company as indicated in schedule 2 and will at all time represent at least 95% of the share capital of each such Company (or 85% with respect to Rhone Mediterranee Gaz-RMG);
- (b) it is the owner of the Accounts and the registered owner of the Financial Instruments and it has not created, incurred or permitted to subsist any Security Interest or other encumbrance whatsoever over the Accounts (or any of them) or the Financial Instruments (or any of them) other than the Security Interest granted pursuant to this Pledge;
- (c) there is no purchase option outstanding or in existence in relation to all or part of the Financial Instruments, no scheme exists for the purchase or subscription of Financial Instruments in such Companies (or any of them), and more generally there exists no agreement by which any such Company has undertaken to issue new financial instruments or securities giving access to the share capital of that Company, all except as permitted under the Finance Documents;
- (d) the Pledge has been approved by each Company (save as indicated in schedule 2) in accordance with its Statuts;
- (e) the payment of, or the provision of security for, the Secured Liabilities by the Pledgor does not require any authorisation of any authority whatsoever, including, without limitation, from the administrative bodies of the Pledgor other than those previously obtained and no authorisation from the administrative bodies of the Pledgor or any of the

Companies or of any authority whatsoever is required for the enforcement of this Pledge; and

- (f) this Pledge is valid and enforceable in accordance with its terms and creates a pledge ranking above the rights that any other person may have over the Accounts or the Financial Instruments, or any of them, or over the proceeds of any sale of the Financial Instruments or any of them.

#### 4. UNDERTAKINGS

4.1 For the duration of the Security Period, the Pledgor undertakes:

- (a) not to transfer nor to sell the Financial Instruments, or any of them, without the prior written consent of the Security Agent acting on behalf of the Beneficiaries;
- (b) not to create, incur or permit to subsist any Security Interest or encumbrance of any sort whatsoever over the Accounts or the Financial Instruments, or any of them, other than in favour of the Beneficiaries;
- (c) save as otherwise permitted by the Finance Documents, to procure that no Company shall issue new Financial Instruments and more generally to procure that no Company shall change its share capital;
- (d) to the extent permitted under French law, not to exercise the voting rights or to pass any resolutions attached to the Financial Instruments (or any of them) which may adversely change the terms of the Financial Instruments (or any class of them) or prejudice the Security Interest created hereunder; and
- (e) to take any action, carry out any formalities and more generally do anything the Security Agent may reasonably consider necessary in order to permit the Security Agent or the other Beneficiaries to exercise, at any time, the rights and claims which it or the other Beneficiaries hold by virtue of this Pledge.
- (f) Instruct the Special Account Holder to deliver to the Security Agent, with respect to the Special Cash Account, an attestation de constitution de gage de compte especes special substantially in the form set out in Schedule 9 duly executed by the relevant Special Account Holder.

- 4.2 Notwithstanding anything contained herein, the Pledgor shall remain liable to observe and perform all of the conditions and obligations assumed by it in respect of the Financial Instruments and the Accounts (or any of them) and none of the Beneficiaries shall be required in any manner to perform or fulfill any obligation of the Pledgor in respect of the Financial Instruments or the Accounts (or any of them) or to make any payment received by them, or to receive any enquiry as to the nature or sufficiency of any payment received by them, or to present or to file any claim or take any other action to collect or enforce the payment of any amount to which they may have been or to which they may be entitled hereunder at any time or times.

#### 5. ENFORCEMENT

Following the occurrence of a payment default under the Secured Liabilities and without prejudice to any other right or action whatsoever which may be exercised or taken independently

or concurrently, the Security Agent, acting on behalf of the Beneficiaries, may enforce its rights under the Pledge up to the limit of the Secured Liabilities in accordance with article L. 521-3 of the Code de Commerce and article 2078 of the French Civil Code.

## 6. DURATION

- 6.1 This Pledge shall remain in full force and effect throughout the Security Period.
- 6.2 The Security Agent acting upon instructions of the Beneficiaries undertakes to procure the release of the Pledge on or as soon as practicable after the Discharge Date.

## 7. NOTICE

Except as specifically provided otherwise in this Pledge, any notice, demand or other communication to be served under or in connection with this Pledge shall be made in accordance with clause 24 (Notices) of the Senior Facilities Agreement.

## 8. MISCELLANEOUS

- 8.1 This Pledge does not exclude or limit in any way the other rights of the Security Agent or the other Beneficiaries and does not affect the nature or the extent of the liabilities which have been or which may exist between the Pledgor and the Security Agent or the other Beneficiaries.
- 8.2 Where any clause of this Pledge shall be or become illegal, invalid or unenforceable it is agreed that the other provisions of this Pledge shall remain legal, valid and enforceable against the parties to this Pledge independently of the said illegal, invalid or unenforceable clauses.
- 8.3 No payment to the Security Agent and/or the other Beneficiaries whether under any judgment or court order or otherwise shall discharge the obligation or liability of the Pledgor unless and until the Security Agent and/or the other Beneficiaries shall have received payment in full in the currency in which the obligation or liability was incurred and to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability expressed in that currency the Security Agent and/or the other Beneficiaries shall have a further cause of action against the Pledgor to recover the amount of the shortfall.
- 8.4 In the event of a transfer by way of a novation of all or part of the rights and obligations by the Beneficiaries under the Senior Facilities Agreement, the Beneficiaries expressly reserve (and all the parties to this Pledge expressly agree to that), the rights, powers, privileges and actions that they enjoy under this Pledge in favour of their successors, in accordance with the provisions of articles 1278 and following of the French Civil Code.

## 9. EXPENSES

The Pledgor will promptly following demand pay to each of the Security Agent and/or the other Beneficiaries any expense (including legal fees and other out of pocket expenses and any Taxes thereon) or loss which the Security Agent and/or the other Beneficiaries may have properly incurred in connection with the preservation, enforcement or attempted preservation or enforcement of, the Security Agent's or the other Beneficiaries rights under, this Pledge including any present or future stamp or other taxes or duties and any penalties or interest with respect thereto which may be imposed by any competent jurisdiction in connection with the execution or enforcement of this Pledge all upon presentation of duly documented evidence.



#### 10. FURTHER ASSURANCES

The Pledgor agrees that from time to time, at its own expense, it will promptly execute and deliver all further instruments and documents, and take all further action, that the Security Agent may reasonably request, in order to perfect and protect any Security Interest granted or purported to be granted hereby or to enable the Security Agent to exercise and enforce its rights and remedies hereunder with respect to the relevant Account.

#### 11. APPLICABLE LAW AND JURISDICTION

11.1 This Pledge shall be governed by and construed in all respects in accordance with French law.

11.2 Any dispute arising out of or in connection with this Pledge shall be submitted to the Commercial Court of Paris (Tribunal de Commerce de Paris) for the purpose of hearing and determining at first instance any dispute arising out of this Pledge.

THE PLEDGOR:  
ANTARGAZ

THE SECURITY AGENT:  
CALYON

Acting by: /s/ Francois Varagne

Acting by: /s/ Jacques Pochon and Jerome Del Ben

-----  
Name: Francois Varagne or any duly  
empowered person under a power of  
attorney

Title: President-Directeur General  
Address: 3, Place de Saverne  
92400 Courbevoie  
Fax: +33 1 41 88 73 15  
For the attention of Francois  
Varagne

-----  
Name: Jacques Pochon and Jerome Del Ben  
Title: Head of Acquisition Finance  
France and Associate Director

Address: CALYON  
Leverage and Financial Sponsors  
Group  
9 quai du President Paul Doumer  
92920 Courbevoie Cedex  
France  
Fax: +33 1 41 89 39 53 / 14 33  
For the attention of Jerome Del Ben /  
Victoria Becq-Giraudon

THE ORIGINAL LENDERS:  
CALYON

Acting by: /s/ Jacques Pochon and Jerome Del Ben

-----  
Name: Jacques Pochon and Jerome Del Ben  
Title: Head of Acquisition Finance  
France and Associate Director

Address CALYON  
Leverage and Financial  
Sponsors Group  
9 quai du President Paul  
Doumer  
92920 Courbevoie Cedex  
France  
Fax: +33 1 41 89 39 53 / 14 33  
For the attention of Jerome Del Ben /  
Victoria Becq-Giraudon

SCHEDULE 1  
THE ORIGINAL REVOLVING LENDERS

CALYON, 9 quai du president Paul Doumer, 92920 Paris La Defense cedex, France

UGI BORDEAUX HOLDING  
Societe anonyme au capital de 85.568.435 euros  
Siege social: Immeubles Les Renardieres 3, place de Saverne  
92400-Courbevoie  
452 431 232 RCS Nanterre

AGZ HOLDING  
Immeuble Les Renardieres  
3 place de Saverne  
92400 Courbevoie  
France

CALYON (as Facility Agent on behalf of the Lenders)  
Leverage and Financial Sponsors Group  
9 quai du President Paul Doumer  
92920 Courbevoie Cedex  
France

Date: 7 Decemebr 2005

Dear Sirs,

SENIOR FACILITIES AGREEMENT DATED 7 DECEMBER 2005 BETWEEN AMONG OTHERS AGZ HOLDING AS PARENT, THE COMPANIES NAMED THEREIN AS BORROWERS AND GUARANTORS, CALYON AS MANDATED LEAD ARRANGER, FACILITY AGENT AND SECURITY AGENT AND THE LENDERS NAMED THEREIN (AS AMENDED FROM TIME TO TIME, THE "FACILITIES AGREEMENT")

We refer to the Facilities Agreement.

Unless otherwise defined in this letter, words and expressions defined in the Facilities Agreement have the same meaning when used in this letter.

This is the UGI Bordeaux Letter of Undertakings referred to in the Facilities Agreement.

UGI Bordeaux undertakes to Calyon, acting for itself and as Facility Agent on behalf of the Lenders, that it will fully comply with the terms of the Tax Consolidation Agreement and, in particular, that it will pay and reallocate, on the due date for payments as provided under the Tax Consolidation Agreement, the tax savings that the Parent would have retained had the initial tax consolidated group (with AGZ Holding as tax consolidated company) remained in place.

Such reallocation, which shall constitute an Equity Contribution, shall be in the form of capital increase or subsidies or intercompany loans, at the option of UGI Bordeaux.

UGI Bordeaux further undertakes that if such payments were made to the Parent in the form of subsidies or intercompany loans, the rights of UGI Bordeaux to the reimbursement of such subsidies or intercompany loans and to payment of interest thereon (collectively the "SUBORDINATED DEBT") shall be fully subordinated to the rights of the Finance Parties under the Senior Finance Documents.

UGI Bordeaux as promettant and the Parent as stipulant agree to the benefit of the Finance Parties represented by the Facility Agent (which hereby accepts on behalf of the Finance Parties), that, until the date on which all sums due by the Parent to the Finance Parties under the Senior Finance Documents (the "SENIOR DEBT") have been fully discharged (the "SENIOR DISCHARGE DATE"), the Senior Debt shall be paid or repaid prior to any sum due by the Parent to UGI Bordeaux under the Subordinated Debt (for the avoidance of doubt, this will not preclude the capitalisation of interest), unless otherwise agreed between UGI Bordeaux, the Parent and the Facility Agent (acting on the instructions of the Majority Lenders).

UGI Bordeaux hereby undertakes to immediately pay and transfer to the benefit of the Agent on the behalf of the Finance Parties any sums which would have been received by it, prior to the Senior Discharge Date, in breach of the provisions of the preceding paragraph.

This letter constitutes a Senior Finance Document.

This letter shall be governed by and construed in accordance with French law and Clause 30 (Governing law and submission to jurisdiction) of the Facilities Agreement shall apply mutatis mutandis to this letter.

If you agree with the terms of this letter, please execute a copy thereof.

Yours faithfully,

UGI BORDEAUX HOLDING

/s/ F. Varagne

-----  
Name: F. Varagne  
Title:  
-----

AGZ HOLDING

/s/ Francois Varagne

-----  
Name: Francois Varagne  
Title: Directeur General Delege  
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CALYON  
FOR ITSELF AND AS FACILITY AGENT ON  
BEHALF AND FOR THE ACCOUNT OF THE  
LENDERS

/s/ Jacques Pochon et Jerome Del Ben

-----  
Name: Jacques Pochon et Jerome Del Ben

TAX CONSOLIDATION AGREEMENT  
AMENDMENT NO 1

BETWEEN

UGI BORDEAUX HOLDING  
AND  
ITS GROUP COMPANIES

BETWEEN THE UNDERSIGNED:

- (1) UGI BORDEAUX HOLDING, societe par action simplifiee with a share capital of EUR 85,568,435 having its registered office at Immeuble les Renardieres, 3 place de Saverne, 92400 Courbevoie and registered under the number B. 452 431 232 RCS Nanterre, duly represented for the purposes of the present Agreement by its President, Mr. Lon Greenberg,

(hereafter referred to as the "PARENT COMPANY"),

firstly,

- (2) AGZ HOLDING, societe anonyme with a share capital of EUR 35,126,800 having its registered office at Immeuble les Renardieres, 3 place de Saverne, 92400 Courbevoie and registered under the number 413 765 108 RCS Nanterre, duly represented for the purposes of the present Agreement by its President Mr. Lon Greenberg,

(hereafter referred to as "AGZ HOLDING"),

secondly,

- (3) ANTARGAZ, societe anonyme with a share capital of EUR 3,935,349 having its registered office at Immeuble les Renardieres, 3 place de Saverne, 92400 Courbevoie and registered under the number B 572 126 043 RCS Nanterre, duly represented for the purposes of the present Agreement by Mr. Francois Varagne,

(hereafter referred to as "ANTARGAZ"),

thirdly,

- (4) WOGEGAL S.A., societe anonyme with a share capital of EUR 596,600.28 having its registered office at 19bis rue du Champ Martin, 35770 Vern Sur Seiche and registered under the number 310 095 658 RCS Rennes, duly represented for the purposes of the present Agreement by Mr. Alain Duprez,

(hereafter referred to as "WOGEGAL S.A."),

fourthly,

- (5) GAZ EST DISTRIBUTION, societe anonyme with a share capital of EUR 152,400 having its registered office at 109 boulevard d'Haussonville, 54000 Nancy and registered under the number 421 283 615 RCS Nancy, duly represented for the purposes of the present Agreement by Mr Augustin SarraGallet,

(hereafter referred to as "GAZ EST DISTRIBUTION"),

fifthly,

- (6) NORD GPL SA, societe anonyme with a share capital of EUR 304,800 having its registered office at Le Marais d'Epinoy - Parc d'Activites du Chateau - Rue Gay Lussac, 62220 Carvin and registered under the number 422 265 504 RCS Bethune, duly represented for the purposes of the present Agreement by Mr Eric Jagerschmidt,

(hereafter referred to as "NORD GPL SA"),

sixthly,

- (7) RHONE MEDITERRANEE GAZ, societe anonyme with a share capital of EUR 151,758.24 having its registered office at Centre d'activites du Chateau de l'Ile - 6 rue Leon Blum, 69320 Feyzin and registered under the number 382 151 272 RCS Lyon, duly represented for the purposes of the present Agreement by Mr Georges Sciberras,

(hereafter referred to as "RHONE MEDITERRANEE GAZ"),

seventhly,

AND

- (8) AQUITAINE PYRENEES GAZ, societe anonyme with a share capital of EUR 135,163.56 having its registered office at 4 avenue de l'Escart, 33450 Saint Loubes and registered under the number 410 963 770 RCS Bordeaux, duly represented for the purposes of the present Agreement by Mr. Alain Duprez,

(hereafter referred to as "AQUITAINE PYRENEES GAZ"),

eighthly,

WHEREAS:

By way of a private written agreement, dated June 18, 2004, UGI Bordeaux Holding, AGZ Holding, Antargaz, Wogegal, Gaz Est Distribution, Nord GPL, Rhone Mediterranee Gaz and Aquitaine Pyrenees Gaz entered into an Agreement intituled "Tax Consolidation Agreement between UGI Bordeaux Holding and its Group Companies" (the "TAX CONSOLIDATION AGREEMENT").

Following the change of control of the Companies, it was decided by the Extraordinary and Ordinary General Meeting of the AGZ Holding, Antargaz, Wogegal, Gaz Est Distribution, Nord GPL, Rhone Mediterranee Gaz and Aquitaine Pyrenees Gaz that were held on June 23, 24 and 25 2004 to modify the closing date of the financial years of the Companies in order to fix this date on September 30 of each year, commencing with the current financial year.

In view of the change of closing dates for the financial years of the above-mentioned Companies, the parties have agreed to adopt the present Amendment to proceed with the necessary amendments in respect of certain provisions of the "Tax Consolidation Agreement".

All of the clauses of the Tax Consolidation Agreement apply, with the exception of the Articles that are redefined or completed hereafter, the effect of which is restricted to the scope of this Amendment.

THE PARTIES AGREE AS FOLLOWS:

Pursuant to this Amendment, the parties agree to fix the date of commencement of the second financial year at October 1, 2004, then for the following financial years on October 1 of each year.

Consequently,

1. Article 2.2 of the Tax Consolidation Agreement is suppressed.

2. Articles 3.1 and 3.2 are amended and redrafted as follows:

"3.1 For the 12-month period commencing April 1, 2004, AGZ Holding shall substitute itself for the other Consolidated Companies in respect of the payment of advances of Corporation tax and shall continue to pay, for the relevant period, the said sums in place of the said subsidiaries.

3.2 As of the financial year commencing October 1, 2004, and with the exception of the first two advances of the said financial year (advances of December 15, 2004 and March 15, 2004), each Consolidated Company shall pay four advances to the Parent Company, calculated by the application of the rate in force, set forth at Article 360 of Annexe III of the French Tax Code, to the tax base defined in Article 3.3."

This Amendment comes into effect retrospectively on June 26, 2004.

All the other terms and conditions of the Tax Consolidation Agreement between UGI Bordeaux Holding and its Group Companies, signed June 18, 2004, remain unchanged.

Executed in 8 originals  
In Courbevoie  
December 15, 2004

UGI BORDEAUX HOLDING  
Represented by Mr. Lon Greenberg

AGZ HOLDING  
Represented by Mr. Lon Greenberg

ANTARGAZ  
Represented by Mr. Francois Varagne



WOGEGAL S.A.  
Represented by Mr. Alain Duprez

GAZ EST DISTRIBUTION  
Represented by Mr. Augustin Sarragallet

NORD GPL SA  
Represented by Mr. Eric Jagerschmidt

RHONE MEDITERRANEE GAZ  
Represented by Mr. Georges Sciberras

AQUITAINE PYRENEES GAZ  
Represented by Mr. Alain Duprez

TAX CONSOLIDATION AGREEMENT  
AMENDMENT NO 2

BETWEEN

UGI BORDEAUX HOLDING  
AND  
ITS GROUP COMPANIES

BETWEEN THE UNDERSIGNED:

- (1) UGI BORDEAUX HOLDING, societe par action simplifiee with a share capital of EUR 85,568,435 having its registered office at Immeuble les Renardieres, 3 place de Saverne, 92400 Courbevoie and registered under the number 452 431 232 RCS Nanterre, duly represented for the purposes of the present Agreement by Francois Varagne,

(hereafter referred to as the "PARENT COMPANY"),

firstly,

- (2) AGZ HOLDING, societe anonyme with a share capital of EUR 35,126,800 having its registered office at Immeuble les Renardieres, 3 place de Saverne, 92400 Courbevoie and registered under the number 413 765 108 RCS Nanterre, duly represented for the purposes of the present Agreement by Francois Varagne,

(hereafter referred to as "AGZ HOLDING"),

secondly,

- (3) ANTARGAZ, societe anonyme with a share capital of EUR 3,935,349 having its registered office at Immeuble les Renardieres, 3 place de Saverne, 92400 Courbevoie and registered under the number B 572 126 043 RCS Nanterre, duly represented for the purposes of the present Agreement by Francois Varagne,

(hereafter referred to as "ANTARGAZ"),

thirdly,

- (4) WOGEGAL S.A., societe anonyme with a share capital of EUR 596,600.28 having its registered office at 19bis rue du Champ Martin, 35770 Vern Sur Seiche and registered under the number 310 095 658 RCS Rennes, duly represented for the purposes of the present Agreement by Francois Varagne,

(hereafter referred to as "WOGEGAL S.A."),

fourthly,

- (5) GAZ EST DISTRIBUTION, societe anonyme with a share capital of EUR 152,400 having its registered office at 109 boulevard d'Haussonville, 54000 Nancy and registered under the number 421 283 615 RCS Nancy, duly represented for the purposes of the present Agreement by Francois Varagne,

(hereafter referred to as "GAZ EST DISTRIBUTION"),

fifthly,

- (6) NORD GPL SA, societe anonyme with a share capital of EUR 304,800 having its registered office at Le Marais d'Epinoy - Parc d'Activites du Chateau - Rue Gay Lussac, 62220 Carvin and registered under the number 422 265 504 RCS Bethune, duly represented for the purposes of the present Agreement by Francois Varagne,

(hereafter referred to as "NORD GPL SA"),

sixthly,

- (7) RHONE MEDITERRANEE GAZ, societe anonyme with a share capital of EUR 151,758.24 having its registered office at Centre d'activites du Chateau de l'Ile - 6 rue Leon Blum, 69320 Feyzin and registered under the number 382 151 272 RCS Lyon, duly represented for the purposes of the present Agreement by Francois Varagne,

(hereafter referred to as "RHONE MEDITERRANEE GAZ"),

seventhly,

AND

- (8) AQUITAINE PYRENEES GAZ, societe anonyme with a share capital of EUR 135,163.56 having its registered office at 4 avenue de l'Escart, 33450 Saint Loubes and registered under the number 410 963 770 RCS Bordeaux, duly represented for the purposes of the present Agreement by Francois Varagne,

(hereafter referred to as "AQUITAINE PYRENEES GAZ"),

eighthly,

WHEREAS:

By way of a private written agreement, dated June 18, 2004, as modified by an amendment, dated December 15, 2004, UGI Bordeaux Holding, AGZ Holding, Antargaz, Wogegal, Gaz Est Distribution, Nord GPL, Rhone Mediterranee Gaz and Aquitaine Pyrenees Gaz entered into an Agreement intituled "Tax Consolidation Agreement between UGI Bordeaux Holding and its Group Companies" (the "TAX CONSOLIDATION AGREEMENT").

Pursuant to Article 1.6 of the Tax Consolidation Agreement, it is stipulated, in particular, that for each tax year that falls within the Consolidation Period, UGI Bordeaux Holding undertakes to retrocede to AGZ Holding an amount equal to the tax saving that AGZ Holding would have recorded in its financial statements, in its capacity as parent company of the AGZ Holding tax consolidation group, if

it had remained the parent company of this group and had applied the tax consolidation agreement, in effect prior to June 18, 2004, between AGZ Holding and its subsidiaries. It is also stipulated that payments made by UGI Bordeaux Holding to the Company with respect to these retrocessions must be made through the medium of a subsidy or share capital increase, from a legal perspective.

Following the refinancing of the senior debt of AGZ Holding, which occurred on December 7, 2005, the parties to the present Amendment decided to amend the above-mentioned provision of the Tax Consolidation Agreement so as to enable UGI Bordeaux Holding to also make payments due to the Company, with respect to retrocessions of tax savings, through the medium of subordinated loans.

The parties have agreed to adopt this Amendment for the purposes of amending the Tax Consolidation Agreement.

All of the clauses of the Tax Consolidation Agreement apply, with the exception of the Articles that are redefined or completed hereafter, the effect of which is restricted to the scope of this Amendment.

THE PARTIES AGREE AS FOLLOWS:

1. The parties agree, pursuant to this Amendment, to amend Article 1.6 of the Tax Consolidation Agreement as follows:

"Notwithstanding the preceding provisions, and for the purposes of applying Article 20.1 of the Senior Facilities Agreement, dated December 7, 2005, between, in particular, AGZ Holding and Calyon (successor in the rights of Credit Lyonnais), as amended from time to time (the "SENIOR FACILITIES AGREEMENT"), the Parent Company undertakes, for each tax year that falls within the Consolidation Period, to retrocede to AGZ Holding an amount equal to the tax saving that AGZ Holding would have recorded in its financial statements, in its capacity as parent company of the AGZ Holding tax consolidation group, if it had remained the parent company of this group and had applied the tax integration agreement previously in effect between AGZ Holding and its subsidiaries. It is understood that this reallocation must not result in placing AGZ Holding in a less favourable or more favourable position than if it had remained at the head of the tax consolidation group. This retrocession shall be implemented as follows:

Within fifteen (15) days following the annual approval of its financial statements by its shareholders' General Meeting, AGZ Holding shall (i) calculate the amount of accounting profit relating to the tax saving that would have been triggered by the application of the tax consolidation agreement previously in effect between AGZ Holding and its subsidiaries and (ii) notify this amount to the Parent Company.

Within fifteen (15) days following receipt of this information, the Parent Company shall pay the said amount to AGZ Holding by bank transfer. From a legal point of view, this payment may be made through the medium of a subsidy, share capital increase or intra-group loan, at the discretion of the Parent Company. No interest shall be invoiced by the Parent Company to AGZ Holding in respect of any payment made by the Parent Company to AGZ Holding through the medium of a subsidy.

In the event of payment by way of a subsidy or loan, it is stipulated under the terms of a letter of undertaking, signed between UGI Bordeaux Holding, AGZ Holding and Calyon at the date of this Amendment, that the receivable owed to UGI Bordeaux Holding by AGZ Holding pursuant to these subsidies or loans (including interest and accessory amounts) shall be subordinated to the full repayment of receivables of lenders under the Senior Facilities Agreement.

In the event of payment by way of a subsidy or intra-group loan, the Parent Company and AGZ Holding agree that these amounts will not be taken into consideration for the calculation of taxable profit serving as the basis for determining the contribution due by AGZ Holding to the Parent Company. Furthermore, within thirty (30) days following the annual approval by the shareholders' General Meeting of the financial statements for the financial year and payment of the said subsidies or intra-group loans, AGZ Holding undertake to repay to the Parent Company an equal amount, subject to:

- AGZ being authorised to make such a prepayment under the conditions stipulated by the Senior Facilities Agreement, dated December 7, 2005;
- AGZ Holding not being in default with respect to the provisions of the Senior Facilities Agreement;
- AGZ Holding having the cash necessary to make this repayment without being required to have recourse to a loan.

These conditions are assessed at the date of the above-mentioned repayment.

If these condition are not fulfilled, the amount which cannot be repaid to the Parent Company shall be carried forward and repayable in respect of the following financial year, subject to the respect of the conditions set forth above.

The provisions of this Article 1.6 shall cease to apply as soon as the amounts due to the Lenders pursuant to the Senior Facilities Agreement are repaid."

This Amendment comes into effect on December 7, 2005.

All the other terms and conditions of the Tax Consolidation Agreement remain unchanged.

Executed in 8 originals  
In Paris  
December 7, 2005

UGI BORDEAUX HOLDING  
Represented by Mr. Francois Varagne

AGZ HOLDING  
Represented by Mr. Francois Varagne

ANTARGAZ  
Represented by Mr. Francois Varagne

WOGEGAL S.A.  
Represented by Mr. Francois Varagne

GAZ EST DISTRIBUTION  
Represented by Mr. Francois Varagne

NORD GPL SA  
Represented by Mr. Francois Varagne

RHONE MEDITERRANEE GAZ  
Represented by Mr. Francois Varagne

AQUITAINE PYRENEES GAZ  
Represented by Mr. Francois Varagne

Translation for information purpose only

7 DECEMBER 2005

AGZ HOLDING

AS ASSIGNOR

CALYON

AS SECURITY AGENT

AND

THE LENDERS

MASTER AGREEMENT FOR THE ASSIGNMENT  
OF RECEIVABLES BY WAY OF SECURITY

THIS MASTER AGREEMENT FOR THE ASSIGNMENT OF RECEIVABLES (the "AGREEMENT") is made on 7 December 2005,

BETWEEN:

- (1) AGZ HOLDING, a French societe anonyme with registered number 413 765 108 (RCS Nanterre), with registered share capital of E35,905,326, whose registered office is located at 3 Place de Saverne, 92400 Courbevoie which is represented by Francois Varagne or any other nominated individual who is duly authorized to act for the purposes of this Agreement

(hereinafter referred to as the "ASSIGNOR");

- (2) CALYON, a French societe anonyme, with registered number 304.187.701 (RCS Nanterre), with registered share capital of E3,119,771,484 and with registered office located at 9, quai du president Paul Doumer, 92400 Courbevoie (France), represented by Jacques Pochon and Jerome Del Ben, duly authorized to act for the purposes of this Agreement, acting in its capacity as Security Agent (AGENT DES SURETES) in accordance with the provisions of the Senior Facilities Agreement referred to below

(hereinafter referred to as the "SECURITY AGENT"),

AND

- (3) the banks and similar financial institutions, the names and addresses of which are set out in Schedule 1A hereto

(hereinafter together referred to as the "PRIMARY TERM LENDERS"),

together with any bank or financial institution which may subsequently become a Term Lender under the Senior Facilities Agreement in accordance with Clause 26 of the Senior Facilities Agreement.

(hereinafter together referred to with the Senior Term Lenders as the "TERM LENDERS"),

AND

- (4) the banks and similar financial institutions, the names and addresses of which are set out in Schedule 1B hereto

(hereinafter together referred to as the "PRIMARY REVOLVING CREDIT FACILITY LENDERS"),

together with any bank or financial institution which may subsequently become a Revolving Lender under the Senior Facilities Agreement in accordance with Clause 26 of the Senior Facilities Agreement.

(hereinafter together referred together with the Senior Revolving Credit Facility Lenders as the "REVOLVING CREDIT FACILITY LENDERS"),

WHEREAS:



- (A) Pursuant to an English language facilities agreement (Contrat de credits) dated 7 December 2005 (as amended and restated and hereinafter referred to as the "SENIOR FACILITIES AGREEMENT") between among others the Assignor as Borrower, the parties referred to at paragraphs (3) and (4) above, Calyon as a Facility Agent (Agent) and Security Agent (Agent des Suretes), (i) the Primary Term Lenders have agreed to make available to the Assignor a Term Facility (Credit a Terme) of a maximum principal amount of E380,000,000 (three hundred and eighty million euros) (the "TERM FACILITY") and (ii) the Primary Revolving Credit Facility Lenders have agreed to make available to the Assignor and certain companies in its group a Revolving Facility (Credit Renouvelable) of a maximum principal amount of E50,000,000 (fifty million euros) (the "REVOLVING FACILITY")
- (B) It was agreed pursuant to the Senior Facilities Agreement that the performance of the Assignor's obligations as Borrower under the Senior Facilities Agreement (under the Term Facility as well as the Revolving Facility) will be guaranteed by the assignment to the Beneficiaries (as defined hereunder) of all receivables within its client portfolio, in accordance with the conditions of articles L.313-23 to L.313-34 of the French Monetary and Financial Code and pursuant to the terms hereto.

IT IS AGREED AS FOLLOWS

1. DEFINITIONS

Capitalized terms used in this Agreement and not otherwise defined herein shall have the meaning given to them in the Senior Facilities Agreement.

In this Agreement:

"ASSIGNED DEBTORS" means any person to whom the Assignor grants a receivable, involved in an assignment in accordance with the terms hereto;

"ASSIGNED RECEIVABLES" means Receivables which are assigned by the Assignor in accordance with the terms hereto;

"ASSIGNMENT FORM" means all assignment forms for the assignment of receivables executed by the Assignor for the benefit of the Beneficiaries under the provisions of this Agreement;

"BENEFICIARIES" means the Term Lenders and the Revolving Credit Facility Lenders;

"BUSINESS DAY" has the meaning given to it in the Senior Facilities Agreement;

"COMMERCIAL RECEIVABLES" means the "Receivables" (as defined in the Senior Facilities Agreement) and excludes all Intercompany Receivables;

"DRAWDOWN" means (a) under the Term Facility any "Drawing" (as defined in the Senior Facilities Agreement) and, (b) under the Revolving Facility any "Revolving Advance" (as defined in the Senior Facilities Agreement) made available to the Assignor;

"DRAWDOWN REQUEST" has the meaning given to it in the Senior Facilities Agreement for the purposes of making a drawdown facility available to the Assignor under the Term Facility or the Revolving Facility;

"EVENT OF ENFORCEMENT" means all events referred to at Paragraph 20.2 of the Senior Facilities Agreement;

"EVENT OF DEFAULT" has the meaning given to it in the Senior Facilities Agreement;

"INTERCOMPANY RECEIVABLES" means, at any time, all receivables granted by the Assignor to any members of its group ("Group Company") arising from any loan made by the Assignor to any members of this group or any other agreement entered into between the Assignor and any member of the Group (including the Supply Agreement);

"DAILLY LAW" means articles L.313-23 et seq. of the French Monetary and Financial Code (Code Monétaire et Financier);

"POTENTIAL EVENT OF DEFAULT" has the meaning given to it in the Senior Facilities Agreement;

"RECEIVABLES" means the Commercial Receivables and the Intercompany receivables;

"SECURED OBLIGATIONS" means the payment and repayment obligations contracted by the Assignor relating to sums which are owing or will be owing to the Beneficiaries in its capacity as Borrower under the Senior Facilities Agreement (under the Term Facility as well as the Revolving Facility) for a principal amount, plus interest, late payment interest, any deferred and incidental interests, calculated pursuant to the terms and conditions of the Senior Facilities Agreement;

"SECURITY PERIOD" means the period beginning on the date of signature of this Agreement and ending on the date on which all of the Secured Obligations have been discharged in full to the satisfaction of the Security Agent and on which the Revolving Credit Facility Lenders will have no continuing obligation to make available any Revolving Facility in accordance with the Senior Facilities Agreement;

"SUPPLY AGREEMENT" means the contract for the supply of commercial butane and commercial propane, LPG fuel, and olefin-free propane, entered into between the Assignor and the société anonyme Antargaz;

"UNDERLYING AGREEMENTS" means any agreement entered into from time to time between the Assignor and the Assigned Debtors including the Supply Agreements) from which the Receivables arise.

## 2. ASSIGNMENT OF RECEIVABLES

- 2.1 In order to guarantee the due performance and payment to the Beneficiaries of the Secured Obligations owing by it, the Assignor agrees to assign, in accordance with the provisions of the Dailly Law and the provisions of this Agreement and the Senior Facilities Agreement, all Receivables.

Each Beneficiary will be beneficiary of assignments of Receivables under the present Agreement to an extent proportional to its participation in both the Term Facility and Revolving Facility.

2.2 The assignment of Receivables referred to in clause 2.1 above shall be carried out in accordance with paragraphs 2.3 and 2.4 by the delivery to the Security Agent of an Assignment Form which shall:

- (a) include all notations required for the purpose of creating an assignment under the Dailly Law and the laws and regulations in force;
- (b) without prejudice to clause (a) above, and with respect to Assignment Forms for assignment of Intercompany Receivables, appear in the form set out in Schedule 2A to this Agreement;
- (c) without prejudice to clause (a) above, and with respect to Assignment Forms for assignment of Commercial Receivables, appear in the form set out in Schedule 2B of this Agreement and contain a list, containing the information referred to at Schedule 3 hereto, which may be detailed on electronic files (floppy disc or CD Rom);
- (d) be signed by the legal representative or a duly appointed representative of the Assignor; and
- (e) designate the Beneficiaries as beneficiaries of the assignment, it being specified that the Security Agent must provide the Assignor within a reasonable time period with all information relating to any changes to the identity of the Term Lenders and the Revolving Credit Facility Lenders under the Revolving Facility.

2.3 Throughout the period of this Agreement:

- (a) each time that it sends a Drawdown Request under the Revolving Facility; and
- (b) on the first day of each calendar month;

the Assignor shall deliver to the Security Agent an Assignment Form under which it assigns all the Commercial Receivables in so far as a drawdown pursuant to the Revolving Facility is under way.

2.4 The Assignor shall deliver to the Security Agent throughout the period of this Agreement:

- (a) on each occasion that a new Underlying Agreement creates one or more Intercompany Receivables, entered into with one or more members of the Group, an Assignment Form relating to the relevant Intercompany Receivable(s); and
- (b) at the same time as the Assignor sends any Drawdown Request and on the first Business Day of each calendar month, an Assignment Form relating to all of the new Intercompany Receivables of the Assignor, which at the date of delivery of the relevant Assignment Form have not already been assigned within the framework of this Agreement.

- 2.5 The Security Agent reserves the right to refuse any Assignment Form which does not reasonably appear to comply with the provisions of this clause 2.
- 2.6 Any delivery of an Assignment Form shall be construed as the legal transfer, by way of security interest, to the Beneficiaries of the Assigned Receivables identified on the relevant Assignment Form from the date set out thereon by the Security Agent including all principal, interest and related amounts of the Assigned Receivables identified on the relevant Assignment Form, as well of all security and guarantees, including retention of title clauses, relating to such Assigned Receivables.
- 2.7 Any acceptance by the Security Agent of an Assignment Form will result in the automatic renunciation by all Beneficiaries benefiting from the assignment resulting from the delivery of the previous Assignment Form relating only to Assigned Receivables, also referred to in this subsequent Assignment Form.

### 3 ASSIGNOR'S MANDATE

- 3.1 The Beneficiaries appoint the Assignor as agent to receive and recover the relevant Assigned Receivables. The Assignor recognizes as a consequence of such appointment that any payment, even partial, received from an Assigned Debtor, in any form whatsoever, as an Assigned Receivable, is only received by the Assignor as agent for the Beneficiaries and that amounts so received or recovered are the property of the Beneficiaries. The Assignor therefore undertakes to deliver immediately to the Security Agent on the occurrence of an event of default and at its first request, the payment instruments or the sums it will have so received, providing the Security Agent with all information enabling it to identify the Receivable(s) to which the relevant payments relate.
- 3.2 The mandate established by this clause 3 shall be fully revoked by the Security Agent sending to one or more Assigned Debtors a notice or request for acceptance pursuant to the terms of clause 4 (Notice- Acceptance) below.

### 4. NOTICE - ACCEPTANCE

- 4.1 The Security Agent shall be entitled, at any time following the occurrence of an Event of Default and upon receipt of instructions from the Majority Lenders (Majorite des Preteurs) to give notice to one or several of the Assigned Debtors of the assignment of receivables in accordance with this Agreement and in conformity with the Dailly Law.
- 4.2 The Security Agent may, upon occurrence of an Event of Enforcement, request that one or more of the Assigned Debtors accept the assignment of Receivables arising under this Agreement in accordance with the Dailly Law.

### 5. APPLICATION OF PROCEEDS FROM ASSIGNED RECEIVABLES

Any sum received by the Security Agent under the Assigned Receivables shall be applied towards payment and repayment of amounts due and payable under the Secured Obligations in accordance with the conditions of the Senior Facilities Agreement.

Any sum received by the Security Agent under the Assigned Receivables which exceeds the sums due under the Secured Obligations will be repaid to the Assignor by the Security Agent.

#### 6 REPRESENTATIONS AND WARRANTIES OF ASSIGNOR

The Assignor represents and warrants to the Beneficiaries and to the Security Agent throughout the period of this Agreement:

- (a) that it is a French societe anonyme validly incorporated under the provisions of French law;
- (b) that the execution of this Agreement has been validly authorized by the competent bodies of the Assignor;
- (c) that this Agreement and each of the Assignment Forms create or will create valid legal and compulsory obligations for the Assignor enforceable in accordance with their terms, subject to Reservations;
- (d) the execution of this Agreement and the Assignment Forms by it do not require the approval, authorization or consent of any authorities or bodies whatsoever; and
- (e) the Receivables have not been assigned, delegated, charged or pledged to the benefit of anyone other than the beneficiaries.

#### 7. UNDERTAKINGS OF ASSIGNOR

Throughout the Security Period, the Assignor undertakes to the Beneficiaries and the Security Agent:

- (a) not to assign, create, incur or permit to subsist any pledge, charge, security or encumbrance of any sort over the Receivables other than for the benefit of the Beneficiaries;
- (b) not to modify or restrict the object or the rights relating to Assigned Receivables or the rights of the Beneficiaries under the Assigned Receivables in relation to the Assigned Debtors, other than that which concerns the grant of deliveries, rebates, refunds, and delays in agreed payments within the normal framework of its activities and in conformity with its normal practices and without prejudice to the ability of the Assignor to compromise or negotiate the erroneous Assigned Receivables or those which are subject to a good faith dispute;
- (c) not to exercise or pursue at any time, any claim for compensation or any counterclaim on the Assigned Receivables;
- (d) to deliver to the Security Agent all information required for it to ensure the supervision and identification of the Assigned Receivables and, in particular, the programmes of prior requirements (fully updated) referred to at Clause 4 of the Supply Agreement;

- (e) at all times after the occurrence of a Potential Event of Default or an Event of Default, permit the Security Agent to proceed at the expense of the Assignor by means of an advance notice and during the opening hours of the Assignor's offices, with all verifications provided, in order to regulate the existence, nature, ownership, amount and date of payment of the Assigned Receivables and to regulate the Assignor's compliance with all of its obligations under this Agreement; and
- (f) to take any action, carry out any formalities, and do anything at its own expense which the Security Agent may reasonably request in the interests of protecting the rights of the Beneficiaries under this Agreement or the Assignment Forms.

#### 8. OBLIGATIONS OF ASSIGNOR UNDER THE UNDERLYING AGREEMENTS

The Assignor and the Beneficiaries expressly agree that:

- (a) in accordance with the provisions of the Dailly Law, the Assignor will remain jointly and severally liable for the payment of the Assigned Receivables by the Assigned Debtors;
- (b) The exercise by the Security Agent and/or the Beneficiaries of any right, or privilege under this Agreement shall not operate as a waiver of any right or obligations of the Assignor under the Underlying Agreements; and
- (c) Except in the case of gross or deliberate misconduct, neither the Security Agent nor any of the Beneficiaries shall be responsible under the Underlying Agreements and, neither the Security Agent nor any of the Beneficiaries shall be obliged to exercise any commitment, or obligation of the Assignor under the Underlying Agreements, or to take any action to recover any amounts.

#### 9. NOTICES

Any notice or other communication to be served under or in connection with this Agreement will conform with the conditions of Clause 24 of the Senior Facilities Agreement and will be sent to the addresses indicated under the signature blocks of each party's representative under this Agreement or at any other address which the party concerned has notified to the other parties at least five (5) Business Days in advance of such notice in accordance with this clause.

#### 10. DURATION

This Agreement shall remain in full force and effect throughout the Security Period.

#### 11. MISCELLANEOUS - EFFECTS OF CONCLUSION OF AGREEMENT

- 11.1 The Beneficiaries grant authority to the Security Agent having the option of delegation, to receive, date and safeguard the original copies of each Assignment Form, and more generally, to take all steps necessary to protect and exercise the rights of the Beneficiaries under this Agreement and the Assignment Forms.

- 11.2 This Agreement does not exclude or limit in any way the other rights of the Security Agent and the Beneficiaries and does not affect the nature or the extent of the liabilities which have been or which may exist between the Assignor and the Security Agent and Beneficiaries.
- 11.3 In the event of a transfer by novation of all or part of their rights and obligations by the Beneficiaries under the Senior Facilities Agreement, the Beneficiaries expressly reserve (with the express consent of all the parties hereto) the rights, privileges, powers and claims under which they benefit by virtue of this Agreement in favour of their assignees, in accordance with the provisions of articles 1278 et seq. of the French Civil Code.
- 11.4 Where any clause of this Agreement is or becomes illegal, invalid or unenforceable it is agreed that the other provisions of this Agreement shall remain legal, valid and enforceable against the parties to this Agreement independently of the illegal, invalid or unenforceable clauses.

## 12. APPLICABLE LAW AND JURISDICTION

- 12.1 This Agreement shall be governed by and construed in all respects in accordance with French law.
- 12.2 Any dispute arising out of or in connection with this Agreement or an Assignment Form shall be submitted to the exclusive jurisdiction of the Commercial Court of Paris (Tribunal de Commerce de Paris).

Signed on 7 December 2005, in Paris, in four (4) original copies.

Assignor

- - - - -

AGZ HOLDING

Security Agent

- - - - -

CALYON

By:

- - - - -  
Name: Francois Varagne or any person  
duly authorized  
Title: Managing Director

Address: Immeuble Les Renardieres  
3, Place de Saverne  
92400 Courbevoie

Fax: +33 1 41 88 73 13

For the attention of the Finance  
Director

By:

- - - - -  
Name: Jacques Pochon and Jerome Del Ben  
Title: Head of Acquisition Finance  
France and Associate Director

Address: Leverage and Financial  
Sponsors Group  
9, quai du President Paul  
Doumer 92920 Courbevoie  
Cedex France

Fax: +33 1 41 89 39 53/14 33

For the attention of Jerome Del Ben /  
Victoria Becq-Giraudon

Term Lenders

- - - - -

CALYON

Senior Revolving Credit Facility Lenders

- - - - -

CALYON

By:

- - - - -  
Name: Jacques Pochon and Jerome Del  
Becq  
Title: Head of Acquisition Finance  
France and Associate Director

Address: Leverage and Financial  
Sponsors Group  
9 quai du President Paul  
Doumer  
92920 Courbevoie cedex  
France

Fax +33 1 41 89 39 53/14 33

For the attention of Jerome Del Ben /  
Victoria Becq-Giraudon

By:

- - - - -  
Name: Jacques Pochon and Jerome Del Becq  
Title: Head of Acquisition Finance  
France and Associate Director

Address: Leverage and Financial  
Sponsors Group  
9 quai du President Paul  
Doumer  
92920 Courbevoie cedex  
France

Fax +33 1 41 89 39 53/14 33

For the attention of Jerome Del Ben /  
Victoria Becq-Giraudon



Translation for information purpose only

SCHEDULE 1A

THE PRIMARY TERM LENDERS

CALYON, 9 quai du President Paul Doumer, 92400 Courbevoie (France)

Translation for information purpose only

SCHEDULE 1B

THE PRIMARY REVOLVING CREDIT FACILITY TERM LENDERS

CALYON, 9 quai du President Paul Doumer, 92400 Courbevoie (France)

SCHEDULE 2A

FORM OF ASSIGNMENT OF RECEIVABLES BY OF SECURITY UNDER ARTICLES L.313-23 TO  
L. 313-34 OF THE FRENCH MONETARY AND FINANCIAL CODE

(INTERCOMPANY RECEIVABLES)

Assignor: AGZ HOLDING

Assignees : The Term Lenders and the Revolving Credit Facility Lenders parties to an English language facilities agreement dated 7 December 2005 (as amended and restated and hereinafter referred to as the "SENIOR FACILITIES AGREEMENT") between among others the Assignor as Borrower, Calyon as Facility Agent and Security Agent and Calyon as Primary Term Lender and Primary Revolving Credit Facility Lender:

- - [\_\_\_\_\_]

- - [\_\_\_\_\_]

Date: [\_\_\_\_\_] (inserted by Calyon as Security Agent)

Assigned Debtor and Assigned Receivables: In accordance with article L.313-23 paragraph 3 of the French Monetary and Financial Code, the Assigned Receivables are transferred through a computer process which makes it possible to identify them. A list allowing the individualization of the Assigned Receivables is attached to the present Form.

MEAN BY WHICH THE RECEIVABLES ARE ASSIGNED	NUMBER OF ASSIGNED RECEIVABLES	GLOBAL AMOUNT OF THE ASSIGNED RECEIVABLES
-----	-----	-----
	[_____]	[_____]

Or:

Assigned Debtor and Assigned Receivables: The Assigned Receivables are the existing or future receivables held by AGZ Holding against:

The company [\_\_\_\_\_] as debtor of the Assignor pursuant to the Underlying Agreement [\_\_\_\_\_] dated [\_\_\_\_\_] a copy of which is attached to the present Form.

The present Form is governed by all the provisions of the master agreement of receivables dated December 7, 2005 between, among others (i) the Assignor as Borrower and Assignor, (ii) Calyon as Facility Agent and Security Agent and (iii) Calyon as Primary Term Lender and Primary Revolving Credit Facility Lender, as amended from time to time.

The present Form is endorsable to other licensed credit institutions.

Translation for information purpose only

Signature and stamp of the representative of the Assignor

Signature and stamp of the representative of the Security Agent

SCHEDULE 2B

FORM OF ASSIGNMENT OF RECEIVABLES BY OF SECURITY UNDER ARTICLES L.313-23 TO  
L. 313-34 OF THE FRENCH MONETARY AND FINANCIAL CODE

(COMMERCIAL RECEIVABLES)

Assignor: AGZ HOLDING

Assignees : The Term Lenders and the Revolving Credit Facility Lenders parties to an English language facilities agreement dated 7 December 2005 (as amended and restated and hereinafter referred to as the "SENIOR FACILITIES AGREEMENT") between among others the Assignor as Borrower, Calyon as Facility Agent and Security Agent and Calyon as Primary Term Lender and Primary Revolving Credit Facility Lender:

- - [\_\_\_\_\_]

- - [\_\_\_\_\_]

Date: [\_\_\_\_\_] (inserted by Calyon as Security Agent)

Assigned Debtor and Assigned Receivables: In accordance with article L.313-23 paragraph 3 of the French Monetary and Financial Code, the Assigned Receivables are transferred through a computer process which makes it possible to identify them. A list allowing the individualization of the Assigned Receivables is attached to the present Form.

MEAN BY WHICH THE RECEIVABLES ARE ASSIGNED	NUMBER OF ASSIGNED RECEIVABLES	GLOBAL AMOUNT OF THE ASSIGNED RECEIVABLES
-----	-----	-----
	[_____]	[_____]

The present Form is governed by all the provisions of the master agreement of receivables dated December 7, 2005 between, among others (i) the Assignor as Borrower and Assignor, (ii) Calyon as Facility Agent and Security Agent and (iii) Calyon as Primary Term Lender and Primary Revolving Credit Facility Lender, as amended from time to time.

The present Form is endorsable to other licensed credit institution.

Signature and stamp of the representative of the Assignor

Signature and stamp of the representative of the Security Agent

SCHEDULE 3

Information relating to the Assigned Receivables

Each list on electronic file shall contain, for each Assigned Receivable, the following mentions:

- - name and address of the Assigned Debtor;
- - amount of the Assigned Receivable (for the Receivable in other currency than Euro, the currency, the amount of the currency and the estimated exchange value);
- - type of the relevant Underlying Agreement; and
- - maturity date and place of payment of the Assigned Receivable.

7 DECEMBER 2005

ANTARGAZ

AS ASSIGNOR

CALYON

AS SECURITY AGENT

AND

THE REVOLVING CREDIT FACILITY LENDERS

-----

MASTER AGREEMENT FOR THE ASSIGNMENT  
OF RECEIVABLES BY WAY OF SECURITY

-----

THIS MASTER AGREEMENT FOR THE ASSIGNMENT OF RECEIVABLES (the "AGREEMENT") is made on 7 December 2005,

BETWEEN:

- (1) ANTARGAZ, a French societe anonyme with registered number 572 126 043 (RCS Nanterre), with registered share capital of E3,935,349 whose registered office is located at 3 Place de Saverne, 92400 Courbevoie which is represented by Francois Varagne or any other nominated individual who is duly authorized to act for the purposes of this Agreement

(hereinafter referred to as the "ASSIGNOR");

- (2) CALYON, a French societe anonyme, with registered number 304.187.701 (RCS Nanterre), with registered share capital of E3,119,771,484 and with registered office located at 9, quai du president Paul Doumer, 92400 Courbevoie (France), represented by Jacques Pochon and Jerome Del Ben, duly authorized to act for the purposes of this Agreement, acting in its capacity as Security Agent (Agent des Suretes) in accordance with the provisions of the Senior Facilities Agreement referred to below

(hereinafter referred to as the "SECURITY AGENT"),

AND

- (3) the banks and similar financial institutions, the names and addresses of which are set out in Schedule 1 hereto

(hereinafter together referred to as the "PRIMARY REVOLVING CREDIT FACILITY LENDERS"),

together with any bank or financial institution which may subsequently become a Revolving Lender under the Senior Facilities Agreement in accordance with Clause 26 of the Senior Facilities Agreement.

(hereinafter together with the Senior Revolving Credit Facility Lenders referred to as the "REVOLVING CREDIT FACILITY LENDERS"),

WHEREAS:

- (A) Pursuant to an English language facilities agreement (Contrat de credits) dated 7 December 2005 (as amended and restated and hereinafter referred to as the "SENIOR FACILITIES AGREEMENT") between among others (i) AGZ Holding as Parent, (ii) the companies listed in the Senior Facilities Agreement as Borrowers and/or Guarantors, (iii) the Primary Revolving Credit Facility Lenders and, (iv) Calyon as a Facility Agent (Agent) and Security Agent (Agent des Suretes) the Primary Revolving Credit Facility Lenders have agreed to make available to the Assignor and certain companies in its group a Revolving Facility (Credit Renouvelable) of a maximum amount of up to E50,000,000 (fifty million euros).
- (B) The Assignor is a party to the Senior Facilities Agreement as borrower and guarantor under the Revolving Facility.



(C) It was agreed pursuant to the Senior Facilities Agreement that the performance of the Assignor's obligations as Borrower under the Revolving Facility will be guaranteed by the assignment to the Beneficiaries (as defined hereunder) of all receivables within its client portfolio, in accordance with the conditions of articles L.313-23 to L.313-34 of the French Monetary and Financial Code and pursuant to the terms hereto.

IT IS AGREED AS FOLLOWS

1. DEFINITIONS

Capitalized terms used in this Agreement and not otherwise defined herein shall have the meaning given to them in the Senior Facilities Agreement.

In this Agreement:

"ASSIGNED DEBTORS" means any person to whom the Assignor grants a receivable, involved in an assignment in accordance with the terms hereto;

"ASSIGNED RECEIVABLES" means Receivables which are assigned by the Assignor in accordance with the terms hereto;

"ASSIGNMENT FORM" means all assignment forms for the assignment of receivables executed by the Assignor for the benefit of the Beneficiaries under the provisions of this Agreement;

"BENEFICIARIES" means the Revolving Credit Facility Lenders and each of their successors and assignees;

"BUSINESS DAY" has the meaning given to it in the Senior Facilities Agreement;

"COMMERCIAL RECEIVABLES" means the "Receivables" (as defined in the Senior Facilities Agreement) and excludes all Intercompany Receivables;

"CONCESSION AGREEMENTS" means any agreement entered into from time to time between Antargaz and its commercial subsidiaries;

"DRAWDOWN" means any "Revolving Advance" (as defined in the Senior Facilities Agreement) made available to the Assignor;

"DRAWDOWN REQUEST" has the meaning given to it in the Senior Facilities Agreement for the purposes of making a drawdown facility available to the Assignor;

"EVENT OF ENFORCEMENT" means all events referred to at Paragraph 20.2 of the Senior Facilities Agreement;

"EVENT OF DEFAULT" has the meaning given to it in the Senior Facilities Agreement;

"INTERCOMPANY RECEIVABLES" means, at any time, all receivables granted by the Assignor to

any members of its group ("Group Company") arising from any loan made by the Assignor to any members of this group;

"DAILLY LAW" means articles L.313-23 et seq. of the French Monetary and Financial Code (Code Monétaire et Financier)

"POTENTIAL EVENT OF DEFAULT" has the meaning given to it in the Senior Facilities Agreement;

"RECEIVABLES" means the Commercial Receivables and the Intercompany receivables;

"SECURED OBLIGATIONS" means the payment and repayment obligations contracted by the Assignor relating to sums which are owing or will be owing to the Beneficiaries in its capacity as Revolving Credit Borrower for a principal amount, plus interest, late payment interest, any deferred and incidental interests, calculated pursuant to the terms and conditions of the Senior Facilities Agreement;

"SECURITY PERIOD" means the period beginning on the date of signature of this Agreement and ending on the date on which all of the Secured Obligations have been discharged in full to the satisfaction of the Security Agent and on which the Beneficiaries will have no continuing obligation to make available any Revolving Facility in accordance with the Senior Facilities Agreement;

"UNDERLYING AGREEMENTS" means any agreement entered into from time to time between the Assignor and the Assigned Debtors (including the Concession Contracts) from which the Receivables arise.

## 2. ASSIGNMENT OF RECEIVABLES

- 2.1 In order to guarantee the due performance and payment to the Beneficiaries of the Secured Obligations owing by it, the Assignor agrees to assign, in accordance with the provisions of the Dailly Law and the provisions of this Agreement, all Receivables.

Each Beneficiary will be beneficiary of assignments of Receivables under the present Agreement to an extent proportional to its participation in the Revolving Facility.

- 2.2 The assignment of Receivables referred to in clause 2.1 above shall be carried out in accordance with paragraphs 2.3 and 2.4 by the delivery to the Security Agent of an Assignment Form which shall:

- (a) include all notations required for the purpose of creating an assignment under the Dailly Law and the laws and regulations in force;
- (b) without prejudice to clause (a) above, and with respect to Assignment Forms for assignment of Commercial Receivables, appear in the form set out in Schedule 2A to this Agreement and contain a list, containing the information referred to at Schedule 3 hereto, which may be detailed on electronic files (floppy disc or CD Rom);
- (c) without prejudice to clause (a) above, and with respect to Assignment Form for assignment of Intercompany Receivables, appear in the forms set out in Schedule 2B

of this Agreement;

- (d) be signed by the legal representative or a duly appointed representative of the Assignor; and
- (e) designate the Beneficiaries as beneficiaries of the assignment, it being specified that the Security Agent must provide the Assignor within a reasonable time period with all information relating to any changes to the identity of the Revolving Credit Facility Lenders under the Revolving Facility.

2.3 Throughout the period of this Agreement:

- (a) each time that it sends a Drawdown Request under the Revolving Facility; and
- (b) on the first day of each calendar month;

the Assignor shall deliver to the Security Agent an Assignment Form under which it assigns all the Commercial Receivables in so far as a drawdown pursuant to the Revolving Facility is under way.

2.4 The Assignor shall deliver to the Security Agent throughout the period of this agreement:

- (a) on each occasion that a new Underlying Agreement creates one or more Intercompany Receivables, entered into with one or more members of the Group, an Assignment Form relating to the relevant Intercompany Receivable(s); and
- (b) at the same time as the Assignor sends any Drawdown Request and on the first Business Day of each calendar month, an Assignment Form relating to all of the new Intercompany Receivables of the Assignor, which at the date of delivery of the relevant Assignment Form have not already been assigned within the framework of this Agreement.

2.5 The Security Agent reserves the right to refuse any Assignment Form which does not reasonably appear to comply with the provisions of this clause 2.

2.6 Any delivery of an Assignment Form shall be construed as the legal transfer, by way of security interest, to the Beneficiaries of the Assigned Receivables identified on the relevant Assignment Form from the date set out thereon by the Security Agent including all principal, interest and related amounts of the Assigned Receivables identified on the relevant Assignment Form, as well of all security and guarantees, including retention of title clauses, relating to such Assigned Receivables.

2.7 Any acceptance by the Security Agent of an Assignment Form will result in the automatic renunciation of all Beneficiaries benefiting from the assignment resulting from the delivery of the previous Assignment Form relating only to Assigned Receivables, also referred to in this subsequent Assignment Form.

### 3 ASSIGNOR'S MANDATE

3.1 The Beneficiaries appoint the Assignor as agent to receive and recover the relevant Assigned Receivables. The Assignor recognizes as a consequence of such

appointment that any payment, even partial, received from an Assigned Debtor, in any form whatsoever, as an Assigned Receivable, is only received by the Assignor as agent for the Beneficiaries and that amounts so received or recovered are the property of the Beneficiaries. The Assignor therefore undertakes to deliver immediately to the Security Agent on the occurrence of an event of default and at its first request, the payment instruments or the sums it will have so received, providing the Security Agent with all information enabling it to identify the Receivable(s) to which the relevant payments relate.

- 3.2 The mandate established by this clause 3 shall be fully revoked by the Security Agent sending to one or more Assigned Debtors a notice or request for acceptance pursuant to the terms of clause 4 (Notice- Acceptance) below.

#### 4. NOTICE - ACCEPTANCE

- 4.1 The Security Agent shall be entitled, at any time following the occurrence of an Event of Default and upon receipt of instructions from the Majority Lenders (Majorite des Preteurs) to give notice to one or several of the Assigned Debtors of the assignment of receivables in accordance with this Agreement and in conformity with the Dailly Law.
- 4.2 The Security Agent may, upon occurrence of an Event of Enforcement, request that one or more of the Assigned Debtors accept the assignment of Receivables arising under this Agreement in accordance with the Dailly Law.

#### 5. APPLICATION OF PROCEEDS FROM ASSIGNED RECEIVABLES

Any sum received by the Security Agent under the Assigned Receivables shall be applied towards payment and repayment of amounts due and payable under the Secured Obligations in accordance with the conditions of the Senior Facilities Agreement.

Any sum received by the Security Agent under the Assigned Receivables which exceeds the sums due under the Secured Obligations will be repaid to the Assignor by the Security Agent.

#### 6 REPRESENTATIONS AND WARRANTIES OF ASSIGNOR

The Assignor represents and warrants to the Beneficiaries and to the Security Agent throughout the period of this Agreement:

- (a) that it is a French societe anonyme validly incorporated under the provisions of French law;
- (b) that the execution of this Agreement has been validly authorized by the competent bodies of the Assignor;
- (c) that this Agreement and each of the Assignment Forms create or will create valid legal and compulsory obligations for the Assignor enforceable in accordance with their terms, subject to Reservations;

- (d) the execution of this Agreement and the Assignment Forms by it do not require the approval, authorization or consent of any authorities or bodies whatsoever; and
- (e) the Receivables have not been assigned, delegated, charged or pledged to the benefit of anyone other than the beneficiaries.

#### 7. UNDERTAKINGS OF ASSIGNOR

Throughout the Security Period, the Assignor undertakes to the Beneficiaries and the Security Agent:

- (a) not to assign, create, incur or permit to subsist any pledge, charge, security or encumbrance of any sort over the Receivables other than for the benefit of the Beneficiaries;
- (b) not to modify or restrict the object or the rights relating to Assigned Receivables or the rights of the Beneficiaries under the Assigned Receivables in relation to the Assigned Debtors, other than that which concerns the grant of deliveries, rebates, refunds, and delays in agreed payments within the normal framework of its activities and in conformity with its normal practices and without prejudice to the ability of the Assignor to compromise or negotiate the erroneous Assigned Receivables or those which are subject to a good faith dispute;
- (c) not to exercise or pursue at any time, any claim for compensation or any counterclaim on the Assigned Receivables;
- (d) at all times after the occurrence of a Potential Event of Default or an Event of Default, permit the Security Agent to proceed at the expense of the Assignor by means of an advance notice and during the opening hours of the Assignor's offices, with all verifications provided, in order to regulate the existence, nature, ownership, amount and date of payment of the Assigned Receivables and to regulate the Assignor's compliance with all of its obligations under this Agreement; and
- (e) to take any action, carry out any formalities, and do anything at its own expense which the Security Agent may reasonably request in the interests of protecting the rights of the Beneficiaries under this Agreement or the Assignment Forms.

#### 8. OBLIGATIONS OF ASSIGNOR UNDER THE UNDERLYING AGREEMENTS

The Assignor and the Beneficiaries expressly agree that:

- (a) in accordance with the provisions of the Dailly Law, the Assignor will remain jointly and severally liable for the payment of the Assigned Receivables by the Assigned Debtors;
- (b) The exercise by the Security Agent and/or the Beneficiaries of any right, or privilege under this Agreement shall not operate as a waiver of any right or obligations of the Assignor under the Underlying Agreements; and

- (c) Except in the case of gross or deliberate misconduct, neither the Security Agent nor any of the Beneficiaries shall be responsible under the Underlying Agreements and, neither the Security Agent nor any of the Beneficiaries shall be obliged to exercise any commitment, or obligation of the Assignor under the Underlying Agreements, or to take any action to recover any amounts.

#### 9. NOTICES

Any notice or other communication to be served under or in connection with this Agreement will conform with the conditions of Clause 24 of the Senior Facilities Agreement and will be sent to the addresses indicated under the signature blocks of each party's representative under this Agreement or at any other address which the party concerned has notified to the other parties at least five (5) Business Days in advance of such notice in accordance with this clause.

#### 10. DURATION

This Agreement shall remain in full force and effect throughout the Security Period.

#### 11. MISCELLANEOUS - EFFECTS OF CONCLUSION OF AGREEMENT

- 11.1 The Beneficiaries grant authority to the Security Agent having the option of delegation, to receive, date and safeguard the original copies of each Assignment Form, and more generally, to take all steps necessary to protect and exercise the rights of the Beneficiaries under this Agreement and the Assignment Forms.
- 11.2 This Agreement does not exclude or limit in any way the other rights of the Security Agent and the Beneficiaries and does not affect the nature or the extent of the liabilities which have been or which may exist between the Assignor and the Security Agent and Beneficiaries.
- 11.3 In the event of a transfer by novation of all or part of their rights and obligations by the Beneficiaries under the Senior Facilities Agreement, the Beneficiaries expressly reserve (with the express consent of all the parties hereto) the rights, privileges, powers and claims under which they benefit by virtue of this Agreement in favour of their assignees, in accordance with the provisions of articles 1278 et seq. of the French Civil Code.
- 11.4 Where any clause of this Agreement is or becomes illegal, invalid or unenforceable it is agreed that the other provisions of this Agreement shall remain legal, valid and enforceable against the parties to this Agreement independently of the illegal, invalid or unenforceable clauses.

#### 12. APPLICABLE LAW AND JURISDICTION

- 12.1 This Agreement shall be governed by and construed in all respects in accordance with French law.
- 12.2 Any dispute arising out of or in connection with this Agreement or an Assignment Form shall be submitted to the exclusive jurisdiction of the Commercial Court of Paris (Tribunal de Commerce de Paris).

(Tribunal de Commerce de Paris).

Signed on 7 December 2005, in Paris, in (3) original copies.

Assignor  
ANTARGAZ

Security Agent  
CALYON

By:

-----  
Name: Francois Varagne or any person  
duly authorized  
Title: Managing Director

Address: Immeuble Les Renardieres  
3, Place de Saverne  
92400 Courbevoie

Fax: +33 1 41 88 73 13

For the attention of the Finance  
Director

By:

-----  
Name: Jacques Pochon and Jerome Del Ben  
Title: Head of Acquisition Finance  
France and Associate Director

Address: Leverage and Financial  
Sponsors Group  
9, quai du President Paul  
Doumer  
92920 Courbevoie Cedex  
France

Fax: +33 1 41 89 39 53/14 33

For the attention of Jerome Del Ben  
/Victoria Becq-Giraudon

Senior Revolving Credit Facility Lenders  
CALYON

By:

-----  
Name: Jacques Pochon and Jerome Del Ben  
Title: Head of Acquisition Finance  
France and Associate Director

Address: Leverage and Financial  
Sponsors Group  
9 quai du President Paul  
Doumer  
92920 Courbevoie cedex  
France

Fax: +33 1 41 89 39 53/14 33

For the attention of Jerome Del Ben /  
Victoria Becq-Giraudon



SCHEDULE 1

THE PRIMARY REVOLVING CREDIT FACILITY TERM LENDERS

CALYON, 9 quai du President Paul Doumer, 92400 Courbevoie (France)

SCHEDULE 2A

FORM OF ASSIGNMENT OF RECEIVABLES BY OF SECURITY UNDER ARTICLES L.313-23 TO  
L. 313-34 OF THE FRENCH MONETARY AND FINANCIAL CODE

(INTERCOMPANY RECEIVABLES)

Assignor: ANTARGAZ

Assignees: The Revolving Credit Facility Lenders parties to an English language facilities agreement dated 7 December 2005 (as amended and restated and hereinafter referred to as the "SENIOR FACILITIES AGREEMENT") between among others the Assignor as Borrower, Calyon as Facility Agent and Security Agent and Calyon as Primary Revolving Credit Facility Lender:

- - [\_\_\_\_\_]

- - [\_\_\_\_\_]

Date: [\_\_\_\_\_] (inserted by Calyon as Security Agent)

Assigned Debtor and Assigned Receivables: In accordance with article L.313-23 paragraph 3 of the French Monetary and Financial Code, the Assigned Receivables are transferred through a computer process which makes it possible to identify them. A list allowing the individualization of the Assigned Receivables is attached to the present Form.

MEAN BY WHICH THE RECEIVABLES ARE ASSIGNED	NUMBER OF ASSIGNED RECEIVABLES	GLOBAL AMOUNT OF THE ASSIGNED RECEIVABLES
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	[_____]	[_____]

Or:

Assigned Debtor and Assigned Receivables: The Assigned Receivables are the existing or future receivables held by ANTARGAZ against:

The company [\_\_\_\_\_] as debtor of the Assignor pursuant to the Underlying Agreement [\_\_\_\_\_] dated [\_\_\_\_\_] a copy of which is attached to the present Form.

The present Form is governed by all the provisions of the master agreement for the assignment of receivables dated December 7, 2005 between, among others (i) the Assignor as Borrower and Assignor, (ii) Calyon as Facility Agent and Security Agent and (iii) Calyon as Primary Revolving Credit Facility Lender, as amended from time to time.

The present Form is endorsable to other licensed credit institutions.

Signature and stamp of the representative of the Assignor  
Signature and stamp of the representative of the Security Agent

SCHEDULE 2B

FORM OF ASSIGNMENT OF RECEIVABLES BY OF SECURITY UNDER ARTICLES L.313-23 TO  
L. 313-34 OF THE FRENCH MONETARY AND FINANCIAL CODE

(COMMERCIAL RECEIVABLES)

Assignor: ANTARGAZ

Assignees: The Revolving Credit Facility Lenders parties to an English language facilities agreement dated 7 December 2005 (as amended and restated and hereinafter referred to as the "SENIOR FACILITIES AGREEMENT") between among others the Assignor as Borrower, Calyon as Facility Agent and Security Agent and Calyon as Primary Revolving Credit Facility Lender:

- - [\_\_\_\_\_]

- - [\_\_\_\_\_]

Date: [\_\_\_\_\_] (inserted by Calyon as Security Agent)

Assigned Debtor and Assigned Receivables: In accordance with article L.313-23 paragraph 3 of the French Monetary and Financial Code, the Assigned Receivables are transferred through a computer process which makes it possible to identify them. A list allowing the individualization of the Assigned Receivables is attached to the present Form.

MEAN BY WHICH THE RECEIVABLES ARE ASSIGNED	NUMBER OF ASSIGNED RECEIVABLES	GLOBAL AMOUNT OF THE ASSIGNED RECEIVABLES
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	[_____]	[_____]

The present Form is governed by all the provisions of the master agreement for the assignment of receivables dated December 7, 2005 between, among others (i) the Assignor as Borrower and Assignor, (ii) Calyon as Facility Agent and Security Agent and (iii) Calyon as Primary Revolving Credit Facility Lender, as amended from time to time.

The present Form is endorsable to other licensed credit institutions.

Signature and stamp of the representative of the Assignor

Signature and stamp of the representative of the Security Agent

SCHEDULE 3  
Information relating to the Assigned Receivables

Each list on electronic file shall contain, for each Assigned Receivable, the following mentions:

- - name and address of the Assigned Debtor;
- - amount of the Assigned Receivable (for the Receivable in other currency than Euro, the currency, the amount of the currency and the estimated exchange value);
- - type of the relevant Underlying Agreement; and
- - maturity date and place of payment of the Assigned Receivable.

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lon R. Greenberg, certify that:

1. I have reviewed this interim report on Form 10-Q of UGI Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 9, 2006

/s/ Lon R. Greenberg

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Lon R. Greenberg  
Chairman and  
Chief Executive Officer of  
UGI Corporation

CERTIFICATION BY THE CHIEF FINANCIAL OFFICER  
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Anthony J. Mendicino, certify that:

1. I have reviewed this interim report on Form 10-Q of UGI Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and



5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 9, 2006

/s/ Anthony J. Mendicino

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Anthony J. Mendicino  
Senior Vice President - Finance and  
Chief Financial Officer of  
UGI Corporation

CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
RELATING TO A PERIODIC REPORT CONTAINING FINANCIAL STATEMENTS

I, Lon R. Greenberg, Chief Executive Officer, and I, Anthony J. Mendicino, Chief Financial Officer, of UGI Corporation, a Pennsylvania corporation (the "Company"), hereby certify that to our knowledge:

- (1) The Company's periodic report on Form 10-Q for the period ended December 31, 2005 (the "Form 10-Q") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

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CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

/s/ Lon R. Greenberg

/s/ Anthony J. Mendicino

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Lon R. Greenberg

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Anthony J. Mendicino

Date: February 9, 2006

Date: February 9, 2006