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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014
Commission file number 1-11071

UGI CORPORATION

(Exact name of registrant as specified in its charter)

Pennsylvania
(State or Other Jurisdiction of
Incorporation or Organization)

23-2668356
(I.R.S. Employer Identification No.)

460 North Gulph Road, King of Prussia, PA 19406
(Address of Principal Executive Offices) (Zip Code)
(610) 337-1000

(Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class

**Name of each Exchange
on Which Registered**

Common Stock, without par value

New York Stock Exchange, Inc.

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

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

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

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

The aggregate market value of UGI Corporation Common Stock held by non-affiliates of the registrant on March 31, 2014 was \$5,249,082,631.

At November 18, 2014, there were 172,425,384 shares of UGI Corporation Common Stock issued and outstanding.

Portions of the Proxy Statement for the Annual Meeting of Shareholders to be held on January 29, 2015 are incorporated by reference into Part III of this Form 10-K.

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FORWARD-LOOKING INFORMATION

Information contained in this Annual Report on Form 10-K may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Such statements use forward-looking words such as “believe,” “plan,” “anticipate,” “continue,” “estimate,” “expect,” “may,” 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 liquefied petroleum gases, oil, electricity, and natural gas and the capacity to transport product to our customers; (3) changes in domestic and foreign laws and regulations, including safety, tax, consumer protection and accounting matters; (4) inability to timely recover costs through utility rate proceedings; (5) the impact of pending and future legal proceedings; (6) competitive pressures from the same and alternative energy sources; (7) failure to acquire new customers and retain current customers thereby reducing or limiting any increase in revenues; (8) liability for environmental claims; (9) increased customer conservation measures due to high energy prices and improvements in energy efficiency and technology resulting in reduced demand; (10) adverse labor relations; (11) large customer, counterparty or supplier defaults; (12) 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 and liquefied petroleum gases (“LPG”); (13) political, regulatory and economic conditions in the United States and in foreign countries, including the current conflicts in the Middle East and those involving Russia, and foreign currency exchange rate fluctuations, particularly the euro; (14) capital market conditions, including reduced access to capital markets and interest rate fluctuations; (15) changes in commodity market prices resulting in significantly higher cash collateral requirements; (16) reduced distributions from subsidiaries; (17) changes in Marcellus Shale gas production; (18) the timing and success of our acquisitions, commercial initiatives and investments to grow our businesses; and (19) our ability to successfully integrate acquired businesses and achieve anticipated synergies.

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.

PART I:

ITEMS 1. AND 2. BUSINESS AND PROPERTIES

CORPORATE OVERVIEW

UGI Corporation (the “Company”) is a holding company that, through subsidiaries, distributes, stores, transports and markets energy products and related services. We are a domestic and international retail distributor of propane and butane (which are both LPG); a provider of natural gas and electric service through regulated local distribution utilities; a generator of electricity; a regional marketer of energy commodities; an owner and manager of midstream assets; and a regional provider of heating, ventilation, air conditioning, refrigeration and electrical contracting services. Our subsidiaries and affiliates operate principally in the following six business segments:

- AmeriGas Propane
- UGI International - Antargaz
- UGI International - Flaga & Other
- Energy Services
- Electric Generation
- Gas Utility

The AmeriGas Propane segment consists of the propane distribution business of AmeriGas Partners, L.P. (“AmeriGas Partners” or the “Partnership”), which is the nation’s largest retail propane distributor. The Partnership’s sole general partner is our subsidiary, AmeriGas Propane, Inc. (“AmeriGas Propane” or the “General Partner”). The common units of AmeriGas Partners represent limited partner interests in a Delaware limited partnership and trade on the New York Stock Exchange under the symbol “APU.” We have an effective 26% ownership interest in the Partnership and the remaining interest is publicly held. See Note 1 to Consolidated Financial Statements.

The UGI International - Antargaz segment consists of the LPG distribution business of our wholly-owned subsidiary Antargaz, a French société anonyme, and our LPG distribution businesses in the Benelux countries (consisting of Belgium, the Netherlands, and Luxembourg) (collectively, “Antargaz”). Antargaz is one of the largest retail distributors of LPG in France and the Netherlands and the largest retail distributor of LPG in Belgium and Luxembourg.

The UGI International - Flaga & Other segment consists of the LPG distribution businesses of (i) Flaga GmbH, an Austrian limited liability company, and its subsidiaries (collectively, “Flaga”), (ii) AvantiGas Limited, a United Kingdom private limited company (“AvantiGas”), and (iii) ChinaGas Partners, L.P., a majority-owned Delaware limited partnership. Flaga is the largest retail LPG distributor in Austria and Denmark and one of the largest in Poland, the Czech Republic, Hungary, Slovakia, Norway, Sweden, and Finland. Flaga also distributes LPG in Romania and Switzerland. AvantiGas is an LPG distributor in the United Kingdom. ChinaGas Partners is an LPG distributor in the Nantong region of China. The UGI International - Antargaz and UGI International - Flaga & Other segments are collectively referred to as “UGI International.”

The Energy Services segment consists of energy-related businesses conducted by our wholly-owned subsidiary, UGI Energy Services, LLC (formerly known as UGI Energy Services, Inc. prior to its merger with and into UGI Energy Services, LLC, effective October 1, 2013) (“Energy Services”). These businesses include (i) energy marketing in the Mid-Atlantic region of the United States (the “U.S.”), (ii) operating and owning a natural gas liquefaction, storage and vaporization facility and propane-air mixing assets, (iii) managing natural gas pipeline and storage contracts, and (iv) developing, owning and operating pipelines, gathering infrastructure and gas storage facilities in the Marcellus Shale region of Pennsylvania.

The Electric Generation segment consists of electric generation facilities conducted by Energy Services’ wholly-owned subsidiary, UGI Development Company (“UGID”). UGID has an approximate 5.97% (approximately 102 megawatt) ownership interest in a coal-fired generation station in Pennsylvania. UGID also owns and operates (i) a 130 megawatt natural gas-fueled generating station in Pennsylvania, (ii) an 11 megawatt landfill gas-fueled generation plant in Pennsylvania, and (iii) 11.67 megawatts of solar-powered generation capacity in Pennsylvania, Maryland and New Jersey. The Energy Services and Electric Generation segments are collectively referred to as “Midstream & Marketing.”

The Gas Utility segment (“Gas Utility”) consists of the regulated natural gas distribution businesses of our subsidiary, UGI Utilities, Inc. (“UGI Utilities”), and UGI Utilities’ subsidiaries, UGI Penn Natural Gas, Inc. (“PNG”) and UGI Central Penn Gas, Inc. (“CPG”). Gas Utility serves over 600,000 customers in eastern and central Pennsylvania and several hundred customers in portions of one Maryland county. UGI Utilities’ natural gas distribution utility is referred to as “UGI Gas.” Gas Utility is regulated by the Pennsylvania Public Utility Commission (“PUC”) and, with respect to its several hundred customers in Maryland, the Maryland Public Service Commission.

In addition to the segments set forth herein, UGI Corporation also owns and operates (i) a regulated electric distribution business in Pennsylvania through UGI Utilities (“Electric Utility”), and (ii) a heating, ventilation, air-conditioning, refrigeration and electrical contracting service business in portions of eastern Pennsylvania and the Mid-Atlantic region of the U.S. through UGI HVAC Enterprises, Inc. (“HVAC”).

Business Strategy

Our business strategy is to grow the Company by focusing on our core competencies of distributing, storing, transporting and marketing energy products and services. We are utilizing our core competencies from our existing businesses and our national scope, international experience, extensive asset base and access to customers to accelerate both internal growth and growth through acquisitions in our existing businesses, as well as in related and complementary businesses. During Fiscal 2014, we completed a number of transactions in pursuit of this strategy and made progress on larger internally generated capital projects, including infrastructure projects to further support the development of natural gas in the Marcellus Shale region of Pennsylvania. A few of these transactions and projects are described below.

On November 11, 2014, our indirect wholly-owned French subsidiary, UGI Bordeaux Holding, entered into a Share Purchase Agreement with Total Marketing Services, a subsidiary of Total, to acquire all of the outstanding shares of Totalgaz, Total’s LPG distribution business in France (the “Total Acquisition”). Totalgaz distributed over 265 million retail gallons of LPG in 2013,

serving residential, commercial, industrial, and autogas customers. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

In the first quarter of Fiscal 2014, Energy Services placed its newly constructed 28-mile gathering pipeline and compressor station into service (Auburn II). The newly constructed pipeline transports locally produced natural gas from Energy Services’ compressor station in the Marcellus Shale region of Pennsylvania to PNG and two interstate pipelines. During Fiscal 2014, Energy Services also announced (i) a pipeline project to further expand its gathering system in the Marcellus Shale region of Pennsylvania (Auburn III), (ii) a pipeline project to transport locally produced natural gas to PNG (the Union Dale Lateral), and (iii) a joint project to develop an approximately 100-mile pipeline from Pennsylvania to New Jersey (the PennEast Pipeline Project). Energy Services also announced a project to increase the liquefaction capacity of its natural gas liquefaction, storage, and vaporization facility in Temple, Pennsylvania (the Temple Facility) in the fiscal year ending September 30, 2015 (“Fiscal 2015”).

In Fiscal 2014, Energy Services also acquired a retail natural gas marketing business from EQT Energy, LLC and expanded its industrial and commercial customer base in western Pennsylvania. See Note 4 to the Consolidated Financial Statements.

Corporate Information

UGI Corporation was incorporated in Pennsylvania in 1991. UGI Corporation is not subject to regulation by the PUC. UGI Corporation is a “holding company” under the Public Utility Holding Company Act of 2005 (“PUHCA 2005”). PUHCA 2005 and the implementing regulations of the Federal Energy Regulatory Commission (“FERC”) give FERC access to certain holding company books and records and impose certain accounting, record-keeping, and reporting requirements on holding companies. PUHCA 2005 also provides state utility regulatory commissions with access to holding company books and records in certain circumstances. Pursuant to a waiver granted in accordance with FERC’s regulations on the basis of UGI Corporation’s status as a single-state holding company system, UGI Corporation is not subject to certain of the accounting, record-keeping, and reporting requirements prescribed by FERC’s regulations.

Our executive offices are located at 460 North Gulph Road, King of Prussia, Pennsylvania 19406, and our telephone number is (610) 337-1000. In this report, the terms “Company” and “UGI,” as well as the terms “our,” “we,” and “its,” are sometimes used as abbreviated references to UGI Corporation or, collectively, UGI Corporation and its consolidated subsidiaries. Similarly, the terms “AmeriGas Partners” and the “Partnership” are sometimes used as abbreviated references to AmeriGas Partners, L.P. or, collectively, AmeriGas Partners, L.P. and its subsidiaries and the term “UGI Utilities” is sometimes used as an abbreviated reference to UGI Utilities, Inc. or, collectively, UGI Utilities, Inc. and its subsidiaries. The terms “Fiscal 2014” and “Fiscal 2013” refer to the fiscal years ended September 30, 2014 and September 30, 2013, respectively.

The Company’s corporate website can be found at www.ugicorp.com. Information on our website is not intended to be incorporated into this report. The Company makes available free of charge at this website (under the “Investor Relations - Financial Reports - SEC Filings and Proxy” caption) copies of its reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, including its Annual Reports on Form 10-K, its Quarterly Reports on Form 10-Q and its Current Reports on Form 8-K. The Company’s Principles of Corporate Governance, Code of Ethics for the Chief Executive Officer and Senior Financial Officers, Code of Business Conduct and Ethics for Directors, Officers and Employees, and charters of the Corporate Governance, Audit, Compensation and Management Development, and Safety, Environmental and Regulatory Compliance Committees of the Board of Directors are also available on the Company’s website, under the captions “Investor Relations - Corporate Governance - Committees.” All of these documents are also available free of charge by writing to Daniel J. Platt, Treasurer, UGI Corporation, P.O. Box 858, Valley Forge, PA 19482.

The Company’s common stock (“Common Stock”) trades on the New York Stock Exchange under the symbol “UGI.” On July 29, 2014, the Company announced that its Board of Directors had approved a three-for-two split of its Common Stock. The additional shares were distributed September 5, 2014 to shareholders of record on August 22, 2014. All shares and per share data provided herein gives effect to this stock split, applied retroactively.

AMERIGAS PROPANE

Products, Services and Marketing

Our domestic propane distribution business is conducted through AmeriGas Partners. AmeriGas Propane is responsible for managing the Partnership. The Partnership serves approximately 2 million customers in all 50 states from over 2,000 propane distribution locations. In addition to distributing propane, the Partnership also sells, installs and services propane appliances, including heating systems. Typically, the Partnership's locations are in suburban and rural areas where natural gas is not readily available. Our district offices generally consist of a business office and propane storage. As part of its overall transportation and distribution infrastructure, the Partnership operates as an interstate carrier in all states throughout the continental U.S.

The Partnership sells propane primarily to residential, commercial/industrial, motor fuel, agricultural and wholesale customers. The Partnership distributed nearly 1.4 billion gallons of propane in Fiscal 2014. Approximately 93% of the Partnership's Fiscal 2014 sales (based on gallons sold) were to retail accounts and approximately 7% were to wholesale and supply customers. Sales to residential customers in Fiscal 2014 represented approximately 41% of retail gallons sold; commercial/industrial customers 36%; motor fuel customers 13%; and agricultural customers 6%. Transport gallons, which are large-scale deliveries to retail customers other than residential, accounted for 4% of Fiscal 2014 retail gallons. No single customer represents, or is anticipated to represent, more than 5% of the Partnership's consolidated revenues.

The Partnership continues to expand its AmeriGas Propane Exchange ("Propane Exchange") program. At September 30, 2014, Propane Exchange cylinders were available at nearly 49,000 retail locations throughout the U.S. Sales of our Propane Exchange cylinders to retailers are included in commercial/industrial sales. The Propane Exchange program enables consumers to purchase or exchange propane cylinders at various retail locations such as home centers, gas stations, mass merchandisers and grocery and convenience stores. We also supply retailers with large propane tanks to enable retailers to replenish customers' propane cylinders directly at the retailer's location.

Residential and commercial customers use propane primarily for home heating, water heating and cooking purposes. Commercial users include hotels, restaurants, churches, warehouses, and retail stores. Industrial customers use propane to fire furnaces, as a cutting gas and in other process applications. Other industrial customers are large-scale heating accounts and local gas utility customers who use propane as a supplemental fuel to meet peak load deliverability requirements. As a motor fuel, propane is burned in internal combustion engines that power over-the-road vehicles, forklifts, commercial lawn mowers, and stationary engines. Agricultural uses include tobacco curing, chicken brooding, and crop drying. In its wholesale operations, the Partnership principally sells propane to large industrial end-users and other propane distributors.

Retail deliveries of propane are usually made to customers by means of bobtail and rack trucks. Propane is pumped from the bobtail truck, which generally holds 2,400 to 3,000 gallons of propane, into a stationary storage tank on the customer's premises. The Partnership owns most of these storage tanks and leases them to its customers. The capacity of these tanks ranges from approximately 120 gallons to approximately 1,200 gallons. The Partnership also delivers propane in portable cylinders, including Propane Exchange cylinders. Some of these deliveries are made to the customer's location, where cylinders are either picked up or replenished in place.

Propane Supply and Storage

The U.S. propane market has over 250 domestic and international sources of supply, including the spot market. Supplies of propane from the Partnership's sources historically have been readily available. During Fiscal 2014, over 90% of the Partnership's propane supply was purchased under supply agreements with terms of 1 to 3 years. The availability of propane supply is dependent upon, among other things, the severity of winter weather, the price and availability of competing fuels such as natural gas and crude oil, and the amount and availability of imported and exported supply. During the winter heating season of Fiscal 2014, there were wholesale supply challenges in certain regions of the U.S. due to industry-wide storage and transportation issues. These issues were exacerbated by prolonged periods of unusually cold winter weather, record volumes during the fall crop drying season that depleted propane storage inventories for the winter heating season, and an increase in demand for domestic propane overseas from the U.S.' propane export market. The Partnership responded to these issues by instituting supply allocation measures, procuring propane from alternative supply sources, using its extensive transportation network to transport existing propane supplies to areas of the country that were most affected by the winter weather, and deploying employees from areas of the country that were less affected by the weather to those areas in need. Although no assurance can be given that supplies of propane will be readily available in the future, management currently expects to be able to secure adequate supplies during Fiscal 2015. If supply from major sources were interrupted, however, the cost of procuring replacement supplies and transporting those supplies from alternative locations might be materially higher and, at least on a short-term basis, margins could be adversely affected. Enterprise Products Partners, L.P., Plains Marketing, L.P., and Targa Liquids Marketing & Trade LLC supplied approximately 46% of the Partnership's

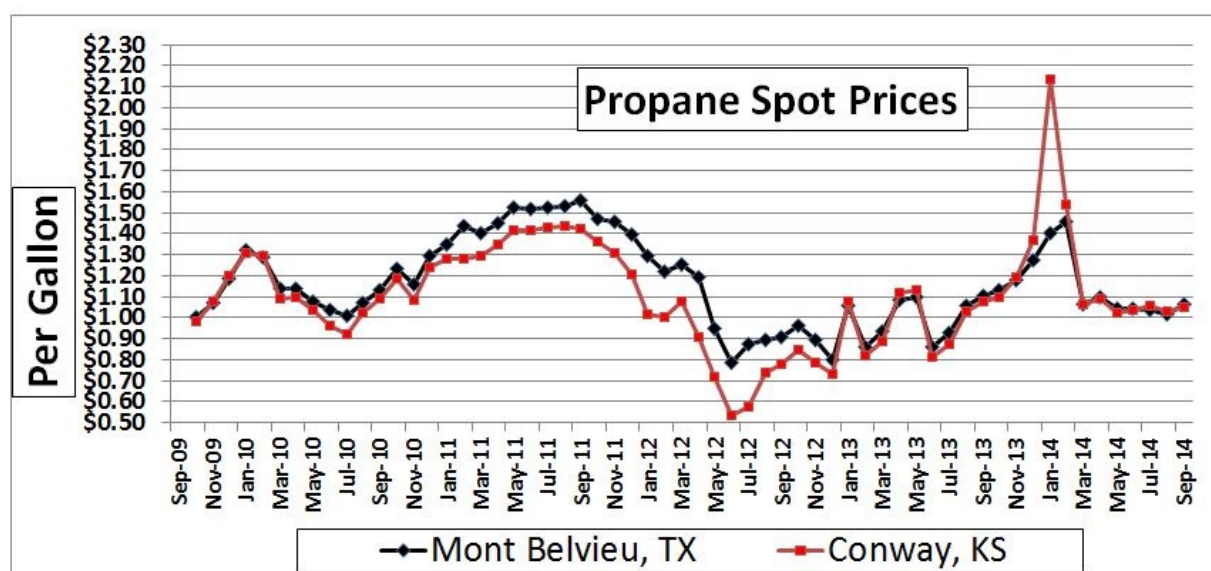
Fiscal 2014 propane supply. No other single supplier provided more than 10% of the Partnership's total propane supply in Fiscal 2014. In certain geographical areas, however, a single supplier provides more than 50% of the Partnership's requirements. Disruptions in supply in these areas could also have an adverse impact on the Partnership's margins.

The Partnership's supply contracts typically provide for pricing based upon (i) index formulas using the current prices established at a major storage point such as Mont Belvieu, Texas, or Conway, Kansas, or (ii) posted prices at the time of delivery. In addition, some agreements provide maximum and minimum seasonal purchase volume guidelines. The percentage of contract purchases, and the amount of supply contracted for at fixed prices, will vary from year to year as determined by the General Partner. The Partnership uses a number of interstate pipelines, as well as railroad tank cars, delivery trucks, and barges, to transport propane from suppliers to storage and distribution facilities. The Partnership stores propane at various storage facilities and terminals located in strategic areas across the U.S.

Because the Partnership's profitability is sensitive to changes in wholesale propane costs, the Partnership generally seeks to pass on increases in the cost of propane to customers. There is no assurance, however, that the Partnership will always be able to pass on product cost increases fully, or keep pace with such increases, particularly when product costs rise rapidly. Product cost increases can be triggered by periods of severe cold weather, supply interruptions, increases in the prices of base commodities such as crude oil and natural gas, or other unforeseen events. The General Partner has adopted supply acquisition and product cost risk management practices to reduce the effect of volatility on selling prices. These practices currently include the use of summer storage, forward purchases and derivative commodity instruments, such as options and propane price swaps. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Market Risk Disclosures."

The following graph shows the average prices of propane on the propane spot market during the last five fiscal years at Mont Belvieu, Texas and Conway, Kansas, both major storage areas.

Average Propane Spot Market Prices



General Industry Information

Propane is separated from crude oil during the refining process and also extracted from natural gas or oil wellhead gas at processing plants. Propane is normally transported and stored in a liquid state under moderate pressure or refrigeration for economy and ease of handling in shipping and distribution. When the pressure is released or the temperature is increased, it is usable as a flammable gas. Propane is colorless and odorless; an odorant is added to allow for its detection. Propane is considered a clean alternative fuel under the Clean Air Act Amendments of 1990, producing negligible amounts of pollutants when properly consumed.

Competition

Propane competes with other sources of energy, some of which are less costly for equivalent energy value. Propane distributors compete for customers with suppliers of electricity, fuel oil and natural gas, principally on the basis of price, service, availability and portability. Electricity is generally more expensive than propane on a British thermal unit (“Btu”) equivalent basis, but the convenience and efficiency of electricity makes it an attractive energy source for consumers and developers of new homes. Fuel oil is also a major competitor of propane and, although a less environmentally attractive energy source, is currently less expensive than propane. Furnaces and appliances that burn propane will not operate on fuel oil, and vice versa, and, therefore, a conversion from one fuel to the other requires the installation of new equipment. Propane serves as an alternative to natural gas in rural and suburban areas where natural gas is unavailable or portability of product is required. Natural gas is generally a significantly less expensive source of energy than propane, although in areas where natural gas is available, propane is used for certain industrial and commercial applications and as a standby fuel during interruptions in natural gas service. The gradual expansion of the nation’s natural gas distribution systems has resulted in the availability of natural gas in some areas that previously depended upon propane. However, natural gas pipelines are not present in many areas of the country where propane is sold for heating and cooking purposes.

For motor fuel customers, propane competes with gasoline, diesel fuel, electric batteries, fuel cells and, in certain applications, liquefied natural gas and compressed natural gas. Wholesale propane distribution is a highly competitive, low margin business. Propane sales to other retail distributors and large-volume, direct-shipment industrial end-users are price sensitive and frequently involve a competitive bidding process.

Retail propane industry volumes have been declining for several years and no or modest growth in total demand is foreseen in the next several years. Therefore, the Partnership’s ability to grow within the industry is dependent on its ability to acquire other retail distributors and to achieve internal growth, which includes expansion of the Propane Exchange program and the National Accounts program (through which the Partnership encourages multi-location propane users to enter into a supply agreement with it rather than with many suppliers), as well as the success of its sales and marketing programs designed to attract and retain customers. The failure of the Partnership to retain and grow its customer base would have an adverse effect on its long-term results.

The domestic propane retail distribution business is highly competitive. The Partnership competes in this business with other large propane marketers, including other full-service marketers, and thousands of small independent operators. Some farm cooperatives, rural electric cooperatives, and fuel oil distributors include propane distribution in their businesses and the Partnership competes with them as well. The ability to compete effectively depends on providing high quality customer service, maintaining competitive retail prices and controlling operating expenses. The Partnership also offers customers various payment and service options, including guaranteed price programs, fixed price arrangements and pricing arrangements based on published propane prices at specified terminals.

In Fiscal 2014, the Partnership’s retail propane sales totaled nearly 1.3 billion gallons. Based on the most recent annual survey by the American Petroleum Institute, 2012 domestic retail propane sales (annual sales for other than chemical uses) in the U.S. totaled approximately 7.7 billion gallons. Based on LP-GAS magazine rankings, 2012 sales volume of the ten largest propane companies (including AmeriGas Partners) represented approximately 40% of domestic retail sales.

Properties

As of September 30, 2014, the Partnership owned over 91% of its approximately 750 district offices throughout the country. The transportation of propane requires specialized equipment. The trucks and railroad tank cars utilized for this purpose carry specialized steel tanks that maintain the propane in a liquefied state. As of September 30, 2014, the Partnership operated a transportation fleet with the following assets:

	<u>Approximate Quantity & Equipment Type</u>	<u>% Owned</u>	<u>% Leased</u>
1,040	Trailers	82%	18%
370	Tractors	23%	77%
410	Railroad tank cars	4%	96%
3,900	Bobtail trucks	44%	56%
465	Rack trucks	43%	57%
4,000	Service and delivery trucks	57%	43%

Other assets owned at September 30, 2014 included approximately 1.8 million stationary storage tanks with typical capacities of more than 120 gallons and approximately 4.6 million portable propane cylinders with typical capacities of 1 to 120 gallons.

Trade Names, Trade and Service Marks

The Partnership markets propane principally under the “AmeriGas®”, “America’s Propane Company®”, “Heritage Propane®”, and “Relationships Matter®” trade names and related service marks. The Partnership also markets propane under various other trade names throughout the U.S. UGI owns, directly or indirectly, all the right, title and interest in the “AmeriGas” name and related trade and service marks. The General Partner owns all right, title and interest in the “America’s Propane Company” trade name and related service marks. The Partnership has an exclusive (except for use by UGI, AmeriGas, Inc., AmeriGas Polska Sp. z o.o. and the General Partner), royalty-free license to use these trade names and related service marks. UGI and the General Partner each have the option to terminate its respective license agreement (on 12 months prior notice in the case of UGI), without penalty, if the General Partner is removed as general partner of the Partnership other than for cause. If the General Partner ceases to serve as the general partner of the Partnership for cause, the General Partner has the option to terminate its license agreement upon payment of a fee to UGI equal to the fair market value of the licensed trade names. UGI has a similar termination option; however, UGI must provide 12 months prior notice in addition to paying the fee to the General Partner.

Seasonality

Because many customers use propane for heating purposes, the Partnership’s retail sales volume is seasonal. During Fiscal 2014, approximately 67% of the Partnership’s retail sales volume occurred, and substantially all of the Partnership’s operating income was earned, during the peak heating season from October through March. As a result of this seasonality, sales are typically higher in the Partnership’s first and second fiscal quarters (October 1 through March 31). Cash receipts are generally greatest during the second and third fiscal quarters when customers pay for propane purchased during the winter heating season.

Sales volume for the Partnership traditionally fluctuates from year-to-year in response to variations in weather, prices, competition, customer mix and other factors, such as conservation efforts and general economic conditions. For information on national weather statistics, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Government Regulation

The Partnership is subject to various federal, state and local environmental, health, safety and transportation laws and regulations governing the storage, distribution and transportation of propane and the operation of bulk storage propane terminals. Generally, these laws impose limitations on the discharge of pollutants, establish standards for the handling of solid and hazardous substances, and require the investigation and cleanup of environmental contamination. These laws include, among others, the federal Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), the Clean Air Act, the Occupational Safety and Health Act (“OSHA”), the Homeland Security Act of 2002, the Emergency Planning and Community Right-to-Know Act, the Clean Water Act, and comparable state statutes. We incur expenses associated with compliance with our obligations under federal and state environmental laws and regulations, and we believe that we are in material compliance with all of our obligations. We maintain various permits that are necessary to operate our facilities, some of which may be material to our operations. We continually monitor our operations with respect to potential environmental issues, including changes in legal requirements.

Hazardous Substances and Wastes

The Partnership is investigating and remediating contamination at a number of present and former operating sites in the U.S., including former sites where we or our former subsidiaries operated manufactured gas plants. CERCLA and similar state laws impose joint and several liability on certain classes of persons considered to have contributed to the release or threatened release of a “hazardous substance” into the environment without regard to fault or the legality of the original conduct. Propane is not a hazardous substance within the meaning of federal and most state environmental laws.

Health and Safety

The Partnership is subject to the requirements of OSHA and comparable state laws that regulate the protection of the health and safety of our workers. These laws require the Partnership, among other things, to maintain information about materials, some of which may be hazardous or toxic, that are used, released, or produced in the course of our operations. Certain portions of this information must be provided to employees, state and local governmental authorities and responders, and local citizens in accordance with applicable federal and state Emergency Planning and Community Right-to-Know Act requirements. The Partnership’s operations are also subject to the safety hazard communication requirements and reporting obligations set forth in federal workplace standards.

All states in which the Partnership operates have adopted fire safety codes that regulate the storage and distribution of propane. In some states, these laws are administered by state agencies, and in others they are administered on a municipal level. The Partnership conducts training programs to help ensure that its operations are in compliance with applicable governmental regulations. With respect to general operations, National Fire Protection Association (“NFPA”) Pamphlets No. 54 and No. 58 and/or one or more of various international codes (including international fire, building and fuel gas codes) establish rules and procedures governing the safe handling of propane, or comparable regulations, which have been adopted by all states in which the Partnership operates. Management believes that the policies and procedures currently in effect at all of its facilities for the handling, storage and distribution of propane are consistent with industry standards and are in compliance in all material respects with applicable environmental, health and safety laws.

With respect to the transportation of propane by truck, the Partnership is subject to regulations promulgated under federal legislation, including the Federal Motor Carrier Safety Act and the Homeland Security Act of 2002. Regulations under these statutes cover the security and transportation of hazardous materials and are administered by the U.S. Department of Transportation (“DOT”), Pipeline and Hazardous Materials Safety Administration. The Natural Gas Safety Act of 1968 required the DOT to develop and enforce minimum safety regulations for the transportation of gases by pipeline. The DOT’s pipeline safety regulations apply, among other things, to a propane gas system that supplies 10 or more residential customers or two or more commercial customers from a single source and to a propane gas system any portion of which is located in a public place. The DOT’s pipeline safety regulations require operators of all gas systems to provide operator qualification standards and training and written instructions for employees and third party contractors working on covered pipelines and facilities, establish written procedures to minimize the hazards resulting from gas pipeline emergencies, and conduct and keep records of inspections and testing. Operators are subject to the Pipeline Safety Improvement Act of 2002. Management believes that the procedures currently in effect at all of the Partnership’s facilities for the handling, storage, transportation and distribution of propane are consistent with industry standards and are in compliance, in all material respects, with applicable laws and regulations.

Climate Change

There continues to be concern, both nationally and internationally, about climate change and the contribution of greenhouse gas (“GHG”) emissions, most notably carbon dioxide, to global warming. Because propane is considered a clean alternative fuel under the federal Clean Air Act Amendments of 1990, we anticipate that this will provide us with a competitive advantage over other sources of energy, such as fuel oil and coal, to the extent new climate change regulations become effective. At the same time, increased regulation of GHG emissions, especially in the transportation sector, could impose significant additional costs on the Partnership, suppliers and customers. The impact of new legislation and regulations will depend on a number of factors, including (i) which industry sectors would be impacted, (ii) the timing of required compliance, (iii) the overall GHG emissions cap level, (iv) the allocation of emission allowances to specific sources, and (v) the costs and opportunities associated with compliance.

Employees

The Partnership does not directly employ any persons responsible for managing or operating the Partnership. The General Partner provides these services and is reimbursed for its direct and indirect costs and expenses, including all compensation and benefit costs. At September 30, 2014, the General Partner had nearly 8,400 employees, including nearly 400 part-time, seasonal and temporary employees, working on behalf of the Partnership. UGI also performs certain financial and administrative services for the General Partner on behalf of the Partnership and is reimbursed by the Partnership.

UGI INTERNATIONAL

ANTARGAZ

Our UGI International - Antargaz LPG distribution business is conducted in France and the Benelux countries (consisting of Belgium, the Netherlands, and Luxembourg). Antargaz also operates a natural gas marketing business in France and Belgium and sold approximately 7.3 million dekatherms of natural gas during Fiscal 2014.

Products, Services and Marketing

During Fiscal 2014, Antargaz sold approximately 235 million gallons of LPG in France and approximately 44 million gallons of LPG in the Benelux countries. Antargaz is one of the largest LPG distributors in France and the Netherlands and the largest LPG distributor in Belgium and Luxembourg. Antargaz’ customer base consists of residential, commercial, agricultural and motor fuel customer accounts that use LPG for space heating, cooking, water heating, process heat, forklift operations, and transportation. Antargaz sells LPG in cylinders, and in small, medium and large tanks. Sales of LPG are also made to service stations to

accommodate vehicles that run on LPG. Antargaz sells LPG in cylinders to approximately 15,000 retail outlets, such as supermarkets, individually owned stores and gas stations. Supermarket sales represented approximately 79% of butane cylinder sales volume and approximately 13% of propane cylinder sales volume in Fiscal 2014. At September 30, 2014, Antargaz had approximately 221,000 bulk customers, approximately 16,000 natural gas customers and nearly 10 million cylinders in circulation. Approximately 60% of Antargaz' Fiscal 2014 sales (based on volumes) were cylinder and small bulk, 17% medium bulk, 20% large bulk and 3% to service stations for automobiles. Antargaz also engages in wholesale sales of LPG and provides logistic, storage and other services to third-party LPG distributors. In addition, Antargaz operates a natural gas marketing business in France and Belgium that services both commercial and residential customers. One wholesale customer represented over 10% of Antargaz' total revenues in Fiscal 2014. No other customer represents, or is anticipated to represent, more than 10% of total revenues for Antargaz.

Sales to small bulk customers represent the largest segment of Antargaz' business in terms of volume, revenue and total margin. Small bulk customers are primarily residential and small business users, such as restaurants, that use LPG mainly for heating and cooking. Small bulk customers also include municipalities, which use LPG for heating certain sports facilities and swimming pools, and the poultry industry for use in chicken brooding.

Medium bulk customers use propane only, and consist mainly of large residential developments such as housing developments, hospitals, municipalities and medium-sized industrial enterprises, and poultry brooders. Large bulk customers include agricultural companies and companies that use LPG in their industrial processes.

The principal end-users of cylinders are residential customers who use LPG supplied in this form for domestic applications such as cooking and heating. Butane cylinders accounted for approximately 53% of all LPG cylinders sold in Fiscal 2014, with propane cylinders accounting for the remainder. Propane cylinders are also used to supply fuel for forklift trucks. The market demand for cylinders continues to decline, due primarily to customers gradually changing to other household energy sources for cooking and heating, such as natural gas and electricity.

LPG Supply and Storage

Antargaz currently has an agreement with Totalgaz (currently owned by Total France until the closing of the proposed Total Acquisition) for the supply of butane in France, with pricing based on internationally quoted market prices. Under this agreement, approximately 50% of Antargaz' requirements for butane are guaranteed until September 2015. Requirements are fixed annually and Antargaz has developed other sources of supply. In Fiscal 2014, Antargaz purchased substantially all of its propane supply for its operations in France from SHV and TOTSA. In the Benelux countries, Antargaz purchased substantially all of its butane and propane requirements from SHV and GUNVOR during Fiscal 2014. From time to time, as needed, Antargaz also purchases propane on the international market and on the domestic spot market.

Antargaz has three primary storage facilities in operation that are located at deep sea harbor facilities, and 29 secondary storage facilities. It also manages an extensive logistics and transportation network. Access to seaborne facilities allows Antargaz to diversify its LPG supplies through imports. LPG stored in primary storage facilities is transported to smaller storage facilities by rail, sea and road. At secondary storage facilities, LPG is filled into cylinders or trucks equipped with tanks and then delivered to customers.

Competition and Seasonality

The LPG markets in France and the Benelux countries are mature, with modest declines in total demand due to competition with other fuels and other energy sources, conservation and the economic climate. Sales volumes are affected principally by the severity of the weather and customer migration to alternative energy forms, including natural gas and electricity. Because Antargaz' profitability is sensitive to changes in wholesale LPG costs, Antargaz generally seeks to pass on increases in the cost of LPG to customers. There is no assurance, however, that Antargaz will always be able to pass on product cost increases fully when product costs rise rapidly. Product cost increases can be triggered by periods of severe cold weather, supply interruptions, increases in the prices of base commodities such as crude oil and natural gas, or other unforeseen events. High LPG prices may result in slower than expected growth due to customer conservation and customers seeking less expensive alternative energy sources. France derives a significant portion of its electricity from nuclear power plants. Due to the nuclear power plants, as well as the regulation of electricity prices by the French government, electricity prices in France are generally less expensive than LPG. As a result, electricity has increasingly become a more significant competitor to LPG in France than in other countries where we operate. In addition, government policies and incentives that favor alternative energy sources can result in customers migrating to energy sources other than LPG in both France and the Benelux countries.

In Fiscal 2014, Antargaz competed in all of its product markets in France on a national level, principally with three LPG distribution

companies, Totalgaz (currently owned by Total France until the closing of the proposed Total Acquisition), Butagaz (owned by Societe des Petroles Shell), and Compagnie des Gaz de Petrole Primagaz (owned by SHV Holding NV), as well as with a regional competitor, Vitogaz. Antargaz also competes with supermarket chains that affiliate with LPG distributors to offer their own brands of cylinders. Antargaz has partnered with two supermarket chains in France in this market. If Antargaz is unsuccessful in expanding its services to other supermarket chains, its market share through supermarket sales may decline in France. In the Benelux countries, Antargaz competes in all of its product markets on a national level, principally with Compagnie des Gaz de Petrole Primagaz, as well as with several regional competitors. In recent years, competition has increased in the Benelux countries as small competitors have reduced their price offerings. In the Netherlands, several LPG distributors offer their own brands of cylinders. Antargaz seeks to increase demand for its butane and propane cylinders through marketing and product innovations. Some of Antargaz' competitors are affiliates of its LPG suppliers. As a result, its competitors may obtain product at more competitive prices.

Because many of Antargaz' customers use LPG for heating, sales volume is affected principally by the severity of the temperatures during the heating season months and traditionally fluctuates from year-to-year in response to variations in weather, prices and other factors, such as conservation efforts and the challenging economic climate. Demand for LPG is higher during the colder months of the year. During Fiscal 2014, approximately 66% of Antargaz' retail sales volume occurred, and substantially all of Antargaz' operating income was earned, during the six months from October through March. For historical information on weather statistics for Antargaz, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Government Regulation

Antargaz' business is subject to various laws and regulations at the national and European levels with respect to matters such as protection of the environment, the storage and handling of hazardous materials and flammable substances, the discharge of contaminants into the environment and the safety of persons and property. In Belgium and Luxembourg, Antargaz is also subject to price regulations that permit Antargaz to increase the price of LPG sold to small bulk, medium bulk, large bulk and cylinder customers (up to a defined maximum price) when Antargaz' costs fluctuate.

Properties

Antargaz has three primary storage facilities in operation. One of these is a refrigerated facility. In addition, Antargaz is able to use 30,000 cubic meters of capacity of a storage facility, Donges, by virtue of Antargaz' 50% ownership of Donges GIE. The table below sets forth details of Antargaz' three primary storage facilities:

	Ownership %	Antargaz Storage Capacity - Propane (m3) (1)	Antargaz Storage Capacity - Butane (m3) (1)
GIE Norgal	52.7	22,600	8,900
Geogaz-Lavera	16.7	17,400	32,500
Cobogal	15.0	1,300	450

(1) Cubic meters (1 cubic meter is equivalent to approximately 264 gallons).

Antargaz has 29 secondary storage facilities, 19 of which are wholly-owned. The others are partially owned through joint ventures.

Employees

At September 30, 2014, Antargaz had approximately 1,040 employees.

FLAGA & OTHER

During Fiscal 2014, our UGI International - Flaga & Other LPG distribution business was conducted principally in Europe through our wholly-owned subsidiaries, Flaga and AvantiGas, and in China through our majority-owned partnership, ChinaGas Partners, L.P. Flaga is referred to in this section collectively with its subsidiaries as "Flaga" unless the context otherwise requires. Flaga operates in Austria, the Czech Republic, Denmark, Finland, Hungary, Norway, Poland, Romania, Slovakia, Sweden and Switzerland. AvantiGas operates in the United Kingdom.

During Fiscal 2014, Flaga sold approximately 340 million gallons of LPG. Flaga is the largest distributor of LPG in Austria and

Denmark and one of the largest distributors of LPG in Poland, the Czech Republic, Hungary, Slovakia, Norway, Sweden, and Finland. During Fiscal 2014, AvantiGas sold approximately 150 million gallons of LPG and our majority-owned partnership in China sold approximately 9 million gallons of LPG.

FLAGA

Products, Services and Marketing

During Fiscal 2014, Flaga sold approximately 340 million gallons of LPG (of which approximately 95 million gallons were to wholesale customers). Flaga serves customers that use LPG for residential, commercial, industrial, agricultural, resale, and automobile fuel (“auto gas”) purposes. Flaga’s customers primarily use LPG for heating, cooking, motor fuel (including forklifts), leisure activities, construction work, manufacturing, crop drying, power generation and irrigation. Flaga sells LPG in cylinders and in small, medium, and large bulk tanks. At September 30, 2014, Flaga had nearly 68,000 customers and 4.1 million cylinders in circulation. Approximately 24% of Flaga’s Fiscal 2014 sales (based on volumes) were cylinder and small bulk, 33% auto gas, 39% large bulk, and 4% medium bulk.

Flaga has a total of 18 sales offices throughout the countries it serves, although it does not have sales offices in Norway, Sweden or Finland, largely due to the commercial and industrial nature of Flaga’s business in those countries. Sales offices generally consist of an office location where customers can directly purchase LPG. Except for Poland, no single country represented more than 10% of Flaga’s total LPG gallons sold in Fiscal 2014. Flaga distributes cylinders directly to its customers and through the use of distributors who resell the cylinders to end users under the distributor’s pricing and terms. No single customer represents or is anticipated to represent more than 5% of total revenues for Flaga, with the exception of one auto gas customer that represented approximately 11% of Flaga’s total revenues in Fiscal 2014.

LPG Supply and Storage

Flaga typically enters into an annual LPG supply agreement with TCO/Chevron. During Fiscal 2014, TCO/Chevron supplied approximately 50% of Flaga’s LPG requirements, with pricing based on internationally quoted market prices. Flaga also purchases LPG on the international market and on the domestic markets, under annual term agreements with international oil and gas trading companies, including SIBUR, NOVATEK, LOTOS, and PGNIG, and from domestic refineries, primarily OMV, Shell, MOL, and Statoil. In addition, LPG purchases are made on the spot market from international oil and gas traders. During Fiscal 2014, 8 suppliers accounted for approximately 80% of Flaga’s LPG supply.

Flaga operates 11 main storage facilities, including one in Denmark that is located at a deep sea harbor facility, two LPG import terminals in Poland, and 58 secondary storage facilities. Flaga manages a widespread logistics and transportation network including approximately 300 leased railcars, and also maintains various transloading and filling agreements with third parties. LPG stored in primary storage facilities is transported to smaller storage facilities by rail or truck.

Competition and Seasonality

The retail propane industry in the Western European countries in which Flaga operates is mature, with slight declines in overall demand in recent years, due primarily to the expansion of natural gas, customer conservation and economic conditions. In the Eastern European countries in which Flaga operates, the demand for LPG is expected to grow in certain segments. Competition for customers is based on contract terms as well as on product prices. Flaga competes with other LPG marketers, including competitors located in other European countries, and also competes with providers of other sources of energy, principally natural gas, electricity and wood.

Because many of Flaga’s customers use LPG for heating, sales volumes in Flaga’s sales territories are affected by the severity of the temperatures during the heating season months and traditionally fluctuate from year-to-year in response to variations in weather, prices and other factors, such as conservation efforts and the economic climate. Because Flaga’s profitability is sensitive to changes in wholesale LPG costs, Flaga generally seeks to pass on increases in the cost of LPG to customers. There is no assurance, however, that Flaga will always be able to pass on product cost increases fully when product costs rise. In parts of Flaga’s sales territories, it is particularly difficult to pass on rapid increases in the price of LPG due to the low per capita income of customers in several of its territories and the intensity of competition. Product cost increases can be triggered by periods of severe cold weather, supply interruptions, increases in the prices of base commodities such as crude oil and natural gas, or other unforeseen events. High LPG prices may result in slower than expected growth due to customer conservation and customers seeking less expensive alternative energy sources. In many of Flaga’s sales territories, government policies and incentives that favor alternative energy sources may result in customers migrating to energy sources other than LPG. Rules and regulations applicable to LPG industry operations in many of the Eastern European countries where Flaga operates are still evolving, or are not consistently enforced, causing intensified

competitive conditions in those areas.

Government Regulation

Flaga's business is subject to various laws and regulations at both the national and European levels with respect to matters such as protection of the environment and the storage and handling of hazardous materials and flammable substances.

Employees

At September 30, 2014, Flaga had approximately 950 employees.

AVANTIGAS

Products, Services and Marketing

During Fiscal 2014, AvantiGas sold approximately 150 million gallons of LPG (of which approximately 91 million gallons were wholesale gallons). At September 30, 2014, AvantiGas had over 14,350 customers. AvantiGas serves customers that use LPG for wholesale, aerosol, agricultural, residential, commercial, industrial, and auto gas purposes. AvantiGas' customers primarily use LPG for heating, cooking, motor fuel (including forklifts), leisure activities, industrial processes and aerosol propellant. AvantiGas sells LPG in small, medium, and large bulk tanks with small bulk sales representing approximately 5% of Fiscal 2014 sales (based on volumes), medium bulk sales representing approximately 34% of Fiscal 2014 sales and large bulk sales representing approximately 61% of Fiscal 2014 sales.

AvantiGas serves its customer base through a centralized customer service center and, therefore, does not have sales offices in the United Kingdom. Sales to wholesale customers represented approximately 61% of gallons sold; aerosol customers 21%; agricultural customers 5%; residential customers 5%; and commercial, industrial and autogas 8%. Three wholesale customers and one aerosol customer collectively represented over 55% of AvantiGas' total revenues in Fiscal 2014. No other customer represents or is anticipated to represent more than 5% of total revenues for AvantiGas.

LPG Supply and Storage

AvantiGas has five-year agreements, which will terminate during the 2016 fiscal year, with Essar Energy plc's Stanlow refinery and STASCO's Mossmorran terminal, and a one-year agreement, which will terminate during Fiscal 2015, with Centrica plc, for the supply of an aggregate of approximately 92% of AvantiGas' LPG requirements. Pricing for such agreements is based on internationally quoted market prices. AvantiGas purchased the remainder of its LPG requirements from other third party suppliers in Fiscal 2014.

AvantiGas operates eight main storage facilities in England, Scotland and Wales. AvantiGas manages a logistics and transportation network, consisting of approximately 40 trucks, and also maintains various transportation agreements with third parties. LPG stored in primary storage facilities is transported to smaller storage facilities or customers by truck.

Competition and Seasonality

The retail propane industry in the United Kingdom is highly concentrated and is mature, with slight declines in overall demand in recent years, due primarily to the expansion of natural gas, customer conservation and challenging economic conditions. Competition for customers is based on contract terms as well as on product prices. AvantiGas competes with other LPG marketers in the United Kingdom.

Because many of AvantiGas' customers use gas for heating purposes, sales volumes in AvantiGas' sales territories are affected principally by the severity of the temperatures during the heating season months and traditionally fluctuate from year-to-year in response to variations in weather, prices and other factors, such as energy conservation efforts and the economic climate. During Fiscal 2014, approximately 56% of AvantiGas' retail sales volume occurred, and approximately 75% of AvantiGas' operating income was earned, during the peak heating season where AvantiGas operates. Because AvantiGas' profitability is sensitive to changes in wholesale LPG costs, AvantiGas generally seeks to pass on increases in the cost of LPG to customers. There is no assurance, however, that AvantiGas will always be able to pass on product cost increases fully when product costs rise. Product cost increases can be triggered by periods of severe cold weather, supply interruptions, increases in the prices of base commodities, such as crude oil and natural gas, or other unforeseen events. High LPG prices may result in slower than expected growth due to customer conservation and customers seeking less expensive alternative energy sources.

Government Regulation

AvantiGas' business is subject to various laws and regulations at both the national and European levels with respect to matters such as competition, protection of the environment and the storage and handling of hazardous materials and flammable substances.

Employees

At September 30, 2014, AvantiGas had approximately 180 employees.

MIDSTREAM & MARKETING

ENERGY SERVICES

Retail Energy Marketing

Energy Services sells natural gas, liquid fuels and electricity to approximately 19,000 residential, commercial, and industrial customers at approximately 43,000 locations. Energy Services serves customers in all or portions of Pennsylvania, New Jersey, Delaware, New York, Ohio, Maryland, Massachusetts, Virginia, North Carolina and the District of Columbia. Energy Services distributes natural gas through the use of the distribution systems of 36 local gas utilities. It supplies power to customers through the use of the transmission systems of 20 utility systems.

Historically, a majority of Energy Services' commodity sales have been made under fixed-price agreements, which typically contain a take-or-pay arrangement that requires customers to purchase a fixed amount of product for a fixed price during a specified period, and to pay for the product even if the customer does not take delivery of the product. However, a growing number of Energy Services' commodity sales are currently being made under requirements contracts, under which Energy Services is typically an exclusive supplier and will supply as much product at a fixed price as the customer requires. Energy Services manages supply cost volatility related to these agreements by (i) entering into fixed-price supply arrangements with a diverse group of suppliers, (ii) holding its own interstate pipeline transportation and storage contracts to efficiently utilize gas supplies, (iii) entering into exchange-traded futures contracts on the New York Mercantile Exchange and the Intercontinental Exchange, (iv) entering into over-the-counter derivative arrangements with major international banks and major suppliers, (v) utilizing supply assets that it owns or manages, and (vi) utilizing financial transmission rights to hedge price risk against certain transmission costs. Energy Services also bears the risk for balancing and delivering natural gas and power to its customers under various gas pipeline and utility company tariffs. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Market Risk Disclosures."

Midstream Assets

Energy Services operates a natural gas liquefaction, storage and vaporization facility in Temple, Pennsylvania ("Temple Facility"), and propane storage and propane-air mixing stations in Bethlehem, Reading, Hunlock Creek, and White Deer, Pennsylvania. It also operates propane storage, rail transshipment terminals, and propane-air mixing stations in Steelton and Williamsport, Pennsylvania. These assets are used in Energy Services' energy peaking business that provides supplemental energy, primarily liquefied natural gas and propane-air mixtures, to gas utilities on interstate pipelines at times of high demand (generally during periods of coldest winter weather). In recent years, Energy Services expanded its energy peaking services at the Temple Facility and began selling liquefied natural gas to customers for use by trucks, drilling rigs, other motor vehicles and facilities located off the gas grid. Energy Services also manages natural gas pipeline and storage contracts for UGI Utilities, subject to a competitive bid process, as well as storage capacity owned by Energy Services.

A wholly-owned subsidiary of Energy Services owns and operates underground natural gas storage and related high pressure pipeline facilities, which have FERC approval to sell storage services at market-based rates. The storage facilities are located in the Marcellus Shale region of Pennsylvania and have a total storage capacity of 15 million dekatherms and a maximum daily withdrawal quantity of 224,000 dekatherms. In Fiscal 2014, Energy Services leased more than 80% of the capacity at its underground natural gas facilities to third parties. Through its operation of a compressor station, Energy Services also receives natural gas from the Tennessee Gas Pipeline for injection into a storage facility on a firm basis throughout the year.

In Fiscal 2014, Energy Services continued making investments in infrastructure projects to support the development of natural gas in the Marcellus Shale region of Pennsylvania. In the first quarter of Fiscal 2014, Energy Services completed a project to extend its gathering system in Wyoming County, Pennsylvania and placed its newly constructed pipeline from Wyoming County to Luzerne County, Pennsylvania (Auburn II) into service. The expansion of the gathering system provides for (i) expanded capacity through additional compression; and (ii) additional delivery options by connecting the region served by PNG and two

interstate pipelines with Marcellus Shale producers. In Fiscal 2014, Energy Services also announced (i) plans to invest capital to further extend the gathering system, providing additional transportation capacity in the Marcellus Shale region (Auburn III); and (ii) a joint project to develop an approximately 100-mile pipeline from Luzerne County, Pennsylvania to the Trenton-Woodbury interconnection in New Jersey that will transport lower cost natural gas to residential and commercial customers (the PennEast Pipeline Project). Energy Services also commenced construction in the third quarter of Fiscal 2014 on a new pipeline project to transport locally produced natural gas to PNG (the Union Dale Lateral) and announced a project to increase the liquefaction capacity of its Temple Facility in Fiscal 2015.

Future planned investments are expected to cover a range of midstream asset opportunities, including interstate pipelines, local gathering systems and gas storage facilities and complementary and related investments in natural gas exploration, production and refining.

Competition

Energy Services competes with other midstream operators to sell gathering, compression, storage, and pipeline transportation services. Energy Services competes in both the regulated and non-regulated environment against interstate and intrastate pipelines that gather, compress, process, transport, and market natural gas. Energy Services sells midstream services primarily to producers, marketers, and utilities on the basis of price, customer service, flexibility, reliability, and operational experience. The competition in the midstream segment is significant and has grown recently in the northeast U.S. as more competitors seek opportunities offered by the development of the Marcellus and Utica Shales.

Energy Services also competes with other marketers, consultants, and local utilities to sell natural gas, liquid fuels, electric power, and related services to customers in its service area principally on the basis of price, customer service, and reliability. Energy Services has faced an increase in competition as new markets for natural gas, liquid fuels, electric power, and related services have emerged.

Government Regulation

FERC has jurisdiction over the rates and terms and conditions of service of wholesale sales of electric capacity and energy, as well as the sales for resale of natural gas and related storage and transportation services. Energy Services has a tariff on file with FERC pursuant to which it may make power sales to wholesale customers at market-based rates. Energy Services also has market-based rate authority for power sales to wholesale customers to the extent that Energy Services purchases power in excess of its retail customer needs. Two subsidiaries of Energy Services operate natural gas storage facilities under FERC certificate approvals and offer services to wholesale customers at FERC-approved market-based rates. Energy Services is also subject to FERC reporting requirements, market manipulation rules and other FERC enforcement and regulatory powers.

Energy Services is subject to various federal, state and local environmental, safety and transportation laws and regulations governing the storage, distribution and transportation of propane and the operation of bulk storage LPG terminals. These laws include, among others, the Resource Conservation and Recovery Act, CERCLA, the Clean Air Act, OSHA, the Homeland Security Act of 2002, the Emergency Planning and Community Right-to-Know Act, the Clean Water Act and comparable state statutes. CERCLA imposes joint and several liability on certain classes of persons considered to have contributed to the release or threatened release of a “hazardous substance” into the environment without regard to fault or the legality of the original conduct. Energy Services also is required to comply with the provisions of the Pipeline Safety Act and the regulations of the U.S. DOT with respect to the operation of natural gas gathering and transportation pipelines.

Employees

At September 30, 2014, Energy Services had approximately 205 employees.

ELECTRIC GENERATION

Products and Services

UGID has an approximate 5.97% (approximately 102 megawatt) ownership interest in the Conemaugh generation station (“Conemaugh”), a 1,711-megawatt, coal-fired generation station located near Johnstown, Pennsylvania. Conemaugh is owned by a consortium of energy companies and operated by a unit of NRG Energy. UGID also owns and operates the Hunlock Station located near Wilkes-Barre, Pennsylvania, a 130-megawatt natural gas-fueled generating station.

UGID also owns and operates a landfill gas-fueled generation plant near Hegins, Pennsylvania, with gross generating capacity of

11 megawatts. The plant qualifies for renewable energy credits.

UGID also owns and operates 11.67 megawatts of solar-powered generation capacity in Pennsylvania, Maryland and New Jersey. Several other solar generation projects are in development.

Competition

UGID competes with other generation stations on the interface of PJM Interconnection, LLC (“PJM”), a regional transmission organization that coordinates the movement of wholesale electricity in certain states, including the states in which we operate, and bases sales on bid pricing. Generally, each power generator has a small share of the total market on PJM.

Government Regulation

UGID owns electric generation facilities that are within the control area of PJM and are dispatched in accordance with a FERC-approved open access tariff and associated agreements administered by PJM. UGID receives certain revenues collected by PJM, determined under an approved rate schedule. UGID is also subject to FERC reporting requirements, market manipulation rules and other FERC enforcement and regulatory powers.

Employees

At September 30, 2014, UGID had approximately 25 employees.

GAS UTILITY

Gas Utility consists of the regulated natural gas distribution businesses of our subsidiary, UGI Utilities, and UGI Utilities’ subsidiaries, PNG and CPG. Gas Utility serves over 600,000 customers in eastern and central Pennsylvania and several hundred customers in portions of one Maryland county. Gas Utility is regulated by the PUC and, with respect to its several hundred customers in Maryland, the Maryland Public Service Commission.

Service Area; Revenue Analysis

Gas Utility is authorized to distribute natural gas to over 600,000 customers in portions of 46 eastern and central Pennsylvania counties through its distribution system of approximately 12,000 miles of gas mains. Contemporary materials, such as plastic or coated steel, comprise approximately 87% of Gas Utility’s 12,000 miles of gas mains, with bare steel pipe comprising approximately 10% and cast iron pipe comprising approximately 3% of Gas Utility’s gas mains. In accordance with Gas Utility’s agreement with the PUC, Gas Utility will replace the cast iron portion of its gas mains by March 2027 and the bare steel portion by March 2043. The service area includes the cities of Allentown, Bethlehem, Easton, Harrisburg, Hazleton, Lancaster, Lebanon, Reading, Scranton, Wilkes-Barre, Lock Haven, Pittston, Pottsville, and Williamsport, Pennsylvania, and the boroughs of Honesdale and Milford, Pennsylvania. Located in Gas Utility’s service area are major production centers for basic industries such as specialty metals, aluminum, glass and paper product manufacturing. Gas Utility also distributes natural gas to several hundred customers in portions of one Maryland county.

System throughput (the total volume of gas sold to or transported for customers within Gas Utility’s distribution system) for Fiscal 2014 was approximately 208.8 billion cubic feet (“bcf”). System sales of gas accounted for approximately 31% of system throughput, while gas transported for residential, commercial and industrial customers who bought their gas from others accounted for approximately 69% of system throughput.

Sources of Supply and Pipeline Capacity

Gas Utility is permitted to recover prudently incurred costs of natural gas it sells to its customers. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations - Market Risk Disclosures” and Note 9 to Consolidated Financial Statements. Gas Utility meets its service requirements by utilizing a diverse mix of natural gas purchase contracts with marketers and producers, along with storage and transportation service contracts. These arrangements enable Gas Utility to purchase gas from Gulf Coast, Mid-Continent, Appalachian and Canadian sources. For the transportation and storage function, Gas Utility has long-term agreements with a number of pipeline companies, including Texas Eastern Transmission Corporation, Columbia Gas Transmission, LLC, Transcontinental Gas Pipeline Company, LLC, Dominion Transmission, Inc., ANR Pipeline Company, and Tennessee Gas Pipeline Company, L.L.C.

Gas Supply Contracts

During Fiscal 2014, Gas Utility purchased approximately 84.2 bcf of natural gas for sale to retail core-market customers (principally comprised of firm-residential, commercial and industrial customers that purchase their gas from Gas Utility (“retail core-market”)) and off-system sales customers. Approximately 90% of the volumes purchased were supplied under agreements with 10 suppliers. The remaining 10% of gas purchased by Gas Utility was supplied by approximately 35 producers and marketers. Gas supply contracts for Gas Utility are generally no longer than 16 months. Gas Utility also has long-term contracts with suppliers for natural gas peaking supply during the months of November through March.

Seasonality

Because many of its customers use gas for heating purposes, Gas Utility’s sales are seasonal. During Fiscal 2014, approximately 65% of Gas Utility’s sales volume was supplied, and over 90% of Gas Utility’s operating income was earned, during the peak heating season from October through March.

Competition

Natural gas is a fuel that competes with electricity and oil, and to a lesser extent, with propane and coal. Competition among these fuels is primarily a function of their comparative price and the relative cost and efficiency of the equipment. Natural gas generally benefits from a competitive price advantage over oil, electricity, and propane. Fuel oil dealers compete for customers in all categories, including industrial customers. Gas Utility responds to this competition with marketing and sales efforts designed to retain, expand, and grow its customer base.

In substantially all of its service territories, Gas Utility is the only regulated gas distribution utility having the right, granted by the PUC or by law, to provide gas distribution services. Larger commercial and industrial customers have the right to purchase gas supplies from entities other than natural gas distribution utility companies. As a result of Pennsylvania’s Natural Gas Choice and Competition Act, effective July 1, 1999, all of Gas Utility’s customers, including core-market customers, have been afforded this opportunity.

A number of Gas Utility’s commercial and industrial customers have the ability to switch to an alternate fuel at any time and, therefore, are served on an interruptible basis under rates that are competitively priced with respect to the alternate fuel. Margin from these customers, therefore, is affected by the difference or “spread” between the customers’ delivered cost of gas and the customers’ delivered cost of the alternate fuel, the frequency and duration of interruptions, and alternative firm service options. See “Gas Utility Regulation and Rates - Pennsylvania Public Utility Commission Jurisdiction and Gas Utility Rates.”

Approximately 23% of Gas Utility’s annual throughput volume for commercial and industrial customers includes customers with locations that afford them the opportunity of seeking transportation service directly from interstate pipelines, thereby bypassing Gas Utility. In addition, approximately 31% of Gas Utility’s annual throughput volume for commercial and industrial customers is from customers who are served under interruptible rates and are also in a location near an interstate pipeline. Gas Utility has approximately 26 of such customers with transportation contracts extending beyond Fiscal 2015. The majority of these customers are served under transportation contracts having 3 to 20 year terms and all are among the largest customers for Gas Utility in terms of annual volumes. No single customer represents, or is anticipated to represent, more than 5% of Gas Utility’s total revenues.

Outlook for Gas Service and Supply

Gas Utility anticipates having adequate pipeline capacity, peaking services and other sources of supply available to it to meet the full requirements of all firm customers on its system through Fiscal 2015. Supply mix is diversified, market priced, and delivered pursuant to a number of long-term and short-term firm transportation and storage arrangements, including transportation contracts held by some of Gas Utility’s larger customers.

During Fiscal 2014, Gas Utility supplied transportation service to five major co-generation installations and four electric generation facilities. Gas Utility continues to seek new residential, commercial, and industrial customers for both firm and interruptible service. In Fiscal 2014, Gas Utility connected approximately 2,000 new commercial and industrial customers. In the residential market sector, Gas Utility connected nearly 16,000 residential heating customers during Fiscal 2014. Over 12,000 of these customers converted to natural gas heating from other energy sources, mainly oil and electricity. New home construction customers and existing non-heating gas customers who added gas heating systems to replace other energy sources primarily accounted for the other residential heating connections in Fiscal 2014.

UGI Utilities continues to monitor and participate, where appropriate, in rulemaking and individual rate and tariff proceedings

before FERC affecting the rates and the terms and conditions under which Gas Utility transports and stores natural gas. Among these proceedings are those arising out of certain FERC orders and/or pipeline filings that relate to (i) the pricing of pipeline services in a competitive energy marketplace; (ii) the flexibility of the terms and conditions of pipeline service tariffs and contracts; and (iii) pipelines' requests to increase their base rates, or change the terms and conditions of their storage and transportation services.

UGI Utilities' objective in negotiations with interstate pipeline and natural gas suppliers, and in proceedings before regulatory agencies, is to assure availability of supply, transportation, and storage alternatives to serve market requirements at the lowest cost possible, taking into account the need for security of supply. Consistent with that objective, UGI Utilities negotiates the terms of firm transportation capacity on all pipelines serving it, arranges for appropriate storage and peak-shaving resources, negotiates with producers for competitively priced gas purchases and aggressively participates in regulatory proceedings related to transportation rights and costs of service.

GAS UTILITY REGULATION AND RATES

Pennsylvania Public Utility Commission Jurisdiction and Gas Utility Rates

Gas Utility is subject to regulation by the PUC as to rates, terms and conditions of service, accounting matters, issuance of securities, contracts and other arrangements with affiliated entities, and various other matters. Rates that Gas Utility may charge for gas service come in two forms: (i) rates designed to recover purchased gas costs ("PGCs"); and (ii) rates designed to recover costs other than PGCs. Rates designed to recover PGCs are reviewed in PGC proceedings. Rates designed to recover costs other than PGCs are primarily established in general base rate proceedings.

The gas service tariffs for UGI Gas, PNG, and CPG contain PGC rates applicable to firm retail rate schedules. These PGC rates permit recovery of substantially all of the prudently incurred costs of natural gas that UGI Gas, PNG, and CPG sell to their customers. PGC rates are reviewed and approved annually by the PUC. UGI Gas, PNG, and CPG may request quarterly or, under certain conditions, monthly adjustments to reflect the actual cost of gas. Quarterly adjustments become effective on one day's notice to the PUC and are subject to review during the next annual PGC filing. Each proposed annual PGC rate is required to be filed with the PUC six months prior to its effective date. During this period, the PUC holds hearings to determine whether the proposed rate reflects a least-cost fuel procurement policy consistent with the obligation to provide safe, adequate and reliable service. After completion of these hearings, the PUC issues an order permitting the collection of gas costs at levels that meet that standard. The PGC mechanism also provides for an annual reconciliation.

UGI Gas has two PGC rates: (i) applicable to small, firm, retail core-market customers consisting of the residential and small commercial and industrial classes; and (ii) applicable to firm, high-load factor, customers served on three separate rates. PNG and CPG each have one PGC rate applicable to all customers. Base rates for each of UGI Gas, PNG, and CPG were last established in 1995, 2009, and 2011, respectively.

On February 20, 2014, the PUC entered an order approving a Growth Extension Tariff ("GET Gas") program under which UGI Gas, PNG, and CPG may invest up to \$5 million per year for five years, or \$75 million in the aggregate for all three utilities, to extend natural gas utility pipelines to provide service to unserved and underserved areas within their respective territories. Under the GET Gas program, customers utilizing the extended pipeline to receive natural gas will pay a monthly surcharge over a 10-year period to cover the cost of the extension. Gas Utility began connecting customers under the GET Gas program in October 2014.

FERC Market Manipulation Rules and Other FERC Enforcement and Regulatory Powers

Gas Utility is subject to Section 4A of the Natural Gas Act and Section 222 of the Federal Power Act, which prohibit the use or employment of any manipulative or deceptive devices or contrivances in connection with the purchase or sale of natural gas or natural gas transportation subject to the jurisdiction of FERC, and FERC regulations that are designed to promote the transparency, efficiency, and integrity of gas markets.

State Tax Surcharge Clauses

UGI Utilities' gas service tariffs contain state tax surcharge clauses. The surcharges are recomputed whenever any of the tax rates included in their calculation are changed. These clauses protect UGI Utilities from the effects of increases in most of the Pennsylvania taxes to which it is subject.

Utility Franchises

UGI Utilities, PNG and CPG each hold certificates of public convenience issued by the PUC and certain “grandfather rights” predating the adoption of the Pennsylvania Public Utility Code and its predecessor statutes, which each of them believes are adequate to authorize them to carry on their business in substantially all of the territories to which they now render gas service. Under applicable Pennsylvania law, UGI Utilities, PNG and CPG also have certain rights of eminent domain as well as the right to maintain their facilities in streets and highways in their territories.

Other Government Regulation

In addition to regulation by the PUC and FERC, Gas Utility is subject to various federal, state and local laws governing environmental matters, occupational health and safety, pipeline safety and other matters. Gas Utility is subject to the requirements of the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation, and Liability Act, and comparable state statutes with respect to the release of hazardous substances on property owned or operated by Gas Utility. See Note 16 to Consolidated Financial Statements.

Employees

At September 30, 2014, Gas Utility had approximately 1,400 employees.

ELECTRIC UTILITY AND HVAC

ELECTRIC UTILITY

Electric Utility supplies electric service to approximately 62,000 customers in portions of Luzerne and Wyoming counties in northeastern Pennsylvania through a system consisting of over 1,900 miles of lines and 13 substations. At September 30, 2014, UGI Utilities’ electric utility operations had approximately 70 employees.

In accordance with Electric Utility’s default service settlement with the PUC effective June 1, 2014 through May 31, 2017, Electric Utility is permitted to recover prudently incurred electricity costs, including costs to obtain supply to meet its customers’ energy requirements, pursuant to a supply plan filed with the PUC. UGI Utilities’ electric utility operations are subject to regulation by the PUC as to rates, terms and conditions of service, accounting matters, issuance of securities, contracts and other arrangements with affiliated entities, and various other matters. The most recent general base rate increase for Electric Utility became effective in 1996. PUC default service regulations became applicable to Electric Utility’s provision of default service effective January 1, 2010 and Electric Utility, consistent with these regulations, has received PUC approval through May 31, 2017 of (i) default service tariff rules, (ii) a reconcilable default service cost rate recovery mechanism to recover the cost of acquiring default service supplies, (iii) a plan for meeting the post-2009 requirements of the Alternative Energy Portfolio Standards Act (“AEPS Act”), which requires Electric Utility to directly or indirectly acquire certain percentages of its supplies from designated alternative energy sources, and (iv) a reconcilable AEPS Act cost recovery rate mechanism to recover the costs of complying with AEPS Act requirements applicable to default service supplies for service rendered through May 31, 2017. Under these rules, default service rates for most customers are adjusted quarterly.

FERC has jurisdiction over the rates and terms and conditions of service of electric transmission facilities used for wholesale or retail choice transactions. Electric Utility owns electric transmission facilities that are within the control area of PJM and are dispatched in accordance with a FERC-approved open access tariff and associated agreements administered by PJM. PJM is a regional transmission organization that regulates and coordinates generation supply and the wholesale delivery of electricity. Electric Utility receives certain revenues collected by PJM, determined under a formula rate schedule that is adjusted in June of each year to reflect annual changes in Electric Utility’s electric transmission revenue requirements, when its transmission facilities are used by third parties. FERC has jurisdiction over the rates and terms and conditions of service of wholesale sales of electric capacity and energy. Electric Utility has a tariff on file with FERC pursuant to which it may make power sales to wholesale customers at market-based rates.

HVAC

We conduct our heating, ventilation, air-conditioning, refrigeration and electrical contracting service business through HVAC, which serves portions of eastern Pennsylvania and the Mid-Atlantic region, including the Philadelphia suburbs and portions of New Jersey and northern Delaware. This business serves more than 90,000 customers in residential, commercial, industrial and new construction markets. During Fiscal 2014, HVAC generated approximately \$83 million in revenues and had approximately 450 employees.

BUSINESS SEGMENT INFORMATION

The table stating the amounts of revenues, operating income (loss) and identifiable assets attributable to each of UGI's reportable business segments, and to the geographic areas in which we operate, for the 2014, 2013 and 2012 fiscal years appears in Note 21 to Consolidated Financial Statements included in Item 8 of this Report and is incorporated herein by reference.

EMPLOYEES

At September 30, 2014, UGI and its subsidiaries had nearly 12,800 employees.

ITEM 1A. RISK FACTORS

There are many factors that may affect our business and results of operations. Additional discussion regarding factors that may affect our business and operating results is included elsewhere in this Report.

Decreases in the demand for our energy products and services because of warmer-than-normal heating season weather may adversely affect our results of operations.

Because many of our customers rely on our energy products and services to heat their homes and businesses, our results of operations are adversely affected by warmer-than-normal heating season weather. Weather conditions have a significant impact on the demand for our energy products and services for both heating and agricultural purposes. Accordingly, the volume of our energy products sold is at its highest during the peak heating season of October through March and is directly affected by the severity of the winter weather. For example, historically, approximately 60% to 70% of AmeriGas Partners' annual retail propane volume and Antargaz' annual retail LPG volume, and 60% to 70% of Gas Utility's natural gas throughput (the total volume of gas sold to or transported for customers within our distribution system) has been sold during these months. There can be no assurance that normal winter weather in our market areas will occur in the future.

Our holding company structure could limit our ability to pay dividends or debt service.

We are a holding company whose material assets are the stock of our subsidiaries. Our ability to pay dividends on our common stock and to pay principal and accrued interest on our debt, if any, depends on the payment of dividends to us by our principal subsidiaries, AmeriGas, Inc., UGI Utilities, Inc. and UGI Enterprises, Inc. (including Antargaz). Payments to us by those subsidiaries, in turn, depend upon their consolidated results of operations and cash flows. The operations of our subsidiaries are affected by conditions beyond our control, including weather, competition in national and international markets we serve, the costs and availability of propane, butane, natural gas, electricity, and other energy sources and capital market conditions. The ability of our subsidiaries to make payments to us is also affected by the level of indebtedness of our subsidiaries, which is substantial, and the restrictions on payments to us imposed under the terms of such indebtedness.

Our profitability is subject to LPG pricing and inventory risk.

The retail LPG business is a "margin-based" business in which gross profits are dependent upon the excess of the sales price over the LPG supply costs. LPG is a commodity, and, as such, its unit price is subject to volatile fluctuations in response to changes in supply or other market conditions. We have no control over these market conditions. Consequently, the unit price of the LPG that our subsidiaries and other marketers purchase can change rapidly over a short period of time. Most of our domestic LPG product supply contracts permit suppliers to charge posted prices at the time of delivery or the current prices established at major U.S. storage points such as Mont Belvieu, Texas or Conway, Kansas. Most of our international LPG supply contracts are based on internationally quoted market prices. Because our subsidiaries' profitability is sensitive to changes in wholesale propane supply costs, it will be adversely affected if we cannot pass on increases in the cost of propane to our customers. Due to competitive pricing in the industry, our subsidiaries may not fully be able to pass on product cost increases to our customers when product costs rise, or when our competitors do not raise their product prices in a timely manner. Finally, market volatility may cause our

subsidiaries to sell LPG at less than the price at which they purchased it, which would adversely affect our operating results.

Energy efficiency and technology advances, as well as price induced customer conservation, may result in reduced demand for our energy products and services.

The trend toward increased conservation and technological advances, including installation of improved insulation and the development of more efficient furnaces and other heating devices, may reduce the demand for energy products. Prices for LPG and natural gas are subject to volatile fluctuations in response to changes in supply and other market conditions. During periods of high energy commodity costs, our prices generally increase, which may lead to customer conservation and attrition. A reduction in demand could lower our revenues and, therefore, lower our net income and adversely affect our cash flows. State and/or federal regulation may require mandatory conservation measures, which would reduce the demand for our energy products. We cannot predict the materiality of the effect of future conservation measures or the effect that any technological advances in heating, conservation, energy generation or other devices might have on our operations.

Economic recession, volatility in the stock market and the low interest rate environment may negatively impact our pension liability.

Economic recession, volatility in the stock market and the low interest rate environment have had a significant impact on our pension liability and funded status. Declines in the stock or bond market and valuation of stocks or bonds, combined with continued low interest rates, could further impact our pension liability and funded status and increase the amount of required contributions to our pension plans.

The adoption of financial reform legislation by the United States Congress and related regulations may have an adverse effect on our ability to use derivative instruments to hedge risks associated with our business.

Congress adopted the Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010, which contains comprehensive financial reform legislation. That act imposes regulation on the over-the-counter derivatives market and entities that participate in that market. The act requires the Commodities Futures Trading Commission (“CFTC”), the U.S. Securities and Exchange Commission (“SEC”) and other regulators to implement the act’s provisions. Some rules and regulations under the act have been finalized but additional rules and regulations have yet to be adopted. It is possible that the rules and regulations under the act may increase our cost of using derivative instruments to hedge risks associated with our business or may reduce the availability of such instruments to protect against risks we encounter. Increased costs may arise from any new margin, clearing and trade-execution requirements imposed upon individual transactions, as well as from new capital, reporting, recordkeeping, compliance and business conduct requirements imposed upon our counterparties to the extent those costs are passed through to us. Position limits may be imposed that could further limit our ability to hedge risks. To the extent new rules and regulations require more collateral or margin for individual transactions, our available liquidity may be adversely affected. Additionally, new rules and regulations may restrict our ability to monetize or restructure existing derivative contracts and require us to restructure portions of our energy marketing and trading business. Accordingly, our business and operating results may be adversely affected if, as a result of the act and the rules and regulations promulgated under the act, we are forced to reduce or modify our current use of derivatives.

Supplier defaults may have a negative effect on our operating results.

When the Company enters into fixed-price sales contracts with customers, it typically enters into fixed-price purchase contracts with suppliers. Depending on changes in the market prices of products compared to the prices secured in our contracts with suppliers of LPG, natural gas and electricity, a default of one or more of our suppliers under such contracts could cause us to purchase those commodities at higher prices, which would have a negative impact on our operating results.

We are dependent on our principal propane suppliers, which increases the risks from an interruption in supply and transportation.

During Fiscal 2014, AmeriGas Propane purchased over 90% of its propane needs from twenty suppliers. If supplies from these sources were interrupted, the cost of procuring replacement supplies and transporting those supplies from alternative locations might be materially higher and, at least on a short-term basis, our earnings could be affected. Additionally, in certain areas, a single supplier may provide more than 50% of AmeriGas Propane’s propane requirements. Disruptions in supply in these areas could also have an adverse impact on our earnings. Our international businesses are similarly dependent upon their suppliers. There is no assurance that our international businesses will be able to continue to acquire sufficient supplies of LPG to meet demand at prices or within time periods that would allow them to remain competitive. In addition, much of Flaga’s LPG is supplied by Kazakhstan and travels through Russia and Ukraine. The imposition of sanctions on Flaga’s suppliers or a significant change in Flaga’s LPG supply route could lead to supply disruptions and higher costs which could have an adverse impact on our earnings.

Changes in commodity market prices may have a significant negative effect on our liquidity.

Depending on the terms of our contracts with suppliers as well as our use of financial instruments to reduce volatility in the cost of propane, changes in the market price of propane can create margin payment obligations for us and expose us to an increased liquidity risk. In addition, increased demand for domestically produced propane overseas may, depending on production volumes in the U.S., result in higher domestic propane prices and expose us to additional liquidity risks.

Our operations may be adversely affected by competition from other energy sources.

Our energy products and services face competition from other energy sources, some of which are less costly for equivalent energy value. In addition, we cannot predict the effect that the development of alternative energy sources might have on our operations.

Our propane businesses compete for customers against suppliers of electricity, fuel oil and natural gas. Electricity is a major competitor of propane and, except in France, is generally more expensive than propane on a Btu equivalent basis for space heating, water heating and cooking. The convenience and efficiency of electricity makes it an attractive energy source for consumers and developers of new homes. Fuel oil is also a major competitor of propane and, although a less environmentally attractive energy source, is currently less expensive than propane. Furnaces and appliances that burn propane will not operate on fuel oil and vice versa, and, therefore, a conversion from one fuel to the other requires the installation of new equipment. Our customers generally have an incentive to switch to fuel oil only if fuel oil becomes significantly less expensive than propane. Except for certain industrial and commercial applications, propane is generally not competitive with natural gas in areas where natural gas pipelines already exist because natural gas is generally a significantly less expensive source of energy than propane. The gradual expansion of natural gas distribution systems in our service areas has resulted, and may continue to result, in the availability of natural gas in some areas that previously depended upon propane. As long as natural gas remains a less expensive energy source than propane, our propane business will lose customers in each region into which natural gas distribution systems are expanded. In France, the state-owned natural gas monopoly, Gaz de France, has in the past extended France's natural gas grid. In addition, due to the prevalence of nuclear electric generation in France, the cost of electricity is generally less expensive than that of LPG, particularly when the cost to install new equipment to convert to LPG is considered.

Our natural gas businesses compete primarily with electricity and fuel oil, and, to a lesser extent, with propane and coal. Competition among these fuels is primarily a function of their comparative price and the relative cost and efficiency of fuel utilization equipment. There can be no assurance that our natural gas revenues will not be adversely affected by this competition.

Our ability to increase revenues is adversely affected by the decline of the retail LPG industry.

The retail LPG distribution industry in the U.S. and each of the European countries in which we operate is mature and has been declining over the past several years in the U.S., with no or modest growth in total demand foreseen. Given this forecast, we expect that year-to-year industry volumes will be principally affected by weather patterns. Therefore, our ability to grow within the LPG industry is dependent on our ability to acquire other retail distributors and to achieve internal growth, which includes expansion of the domestic Propane Exchange and National Accounts programs in the U.S., as well as the success of our sales and marketing programs designed to attract and retain customers. A failure to retain and grow our customer base could have an adverse effect on our business, financial condition and results of operations.

Volatility in credit and capital markets may restrict our ability to grow, increase the likelihood of defaults by our customers and counterparties and adversely affect our operating results.

The volatility in credit and capital markets may create additional risks to our businesses in the future. We are exposed to financial market risk (including refinancing risk) resulting from, among other things, changes in interest rates and conditions in the credit and capital markets. Developments in the credit markets during the past few years increase our possible exposure to the liquidity, default and credit risks of our suppliers, counterparties associated with derivative financial instruments and our customers. Although we believe that current financial market conditions, if they were to continue for the foreseeable future, will not have a significant impact on our ability to fund our existing operations, such market conditions could restrict our ability to grow through acquisitions, could limit the scope of major capital projects if access to credit and capital markets is limited, or adversely affect our operating results.

Our ability to grow our businesses will be adversely affected if we are not successful in making acquisitions or integrating the acquisitions we have made.

One of our strategies is to grow through acquisitions in the U.S. and in international markets. We may choose to finance future

acquisitions with debt, equity, cash or a combination of the three. We can give no assurances that we will find attractive acquisition candidates in the future, that we will be able to acquire such candidates on economically acceptable terms, that we will be able to finance acquisitions on economically acceptable terms, that any acquisitions will not be dilutive to earnings or that any additional debt incurred to finance an acquisition will not affect our ability to pay dividends.

In addition, the restructuring of the energy markets in the U.S. and internationally, including the privatization of government-owned utilities and the sale of utility-owned assets, is creating opportunities for, and competition from, well-capitalized competitors, which may affect our ability to achieve our business strategy.

To the extent we are successful in making acquisitions, such acquisitions involve a number of risks. These risks include, but are not limited to, the assumption of material liabilities, the diversion of management's attention from the management of daily operations to the integration of operations, difficulties in the assimilation and retention of employees and difficulties in the assimilation of different cultures and practices and internal controls, as well as in the assimilation of broad and geographically dispersed personnel and operations. The failure to successfully integrate acquisitions could have an adverse effect on our business, financial condition and results of operations.

Expanding our midstream asset business by constructing new facilities subjects us to risks.

We seek to grow our midstream asset business by constructing new pipelines and gathering systems, expanding our LNG facility and improving our gas storage facilities. These construction projects involve numerous regulatory, environmental, political and legal uncertainties beyond our control and require the expenditure of significant amounts of capital. These projects may not be completed on schedule, or at all, or at the anticipated costs. Moreover, our revenues may not increase immediately upon the expenditure of funds on a particular project. We may construct facilities to capture anticipated future growth in production and demand in an area in which anticipated growth and demand does not materialize. As a result, there is the risk that new and expanded facilities may not be able to attract enough customers to achieve our expected investment returns, which could have a material adverse effect on our business, financial condition and results of operations.

Our need to comply with, and respond to industry-wide changes resulting from, comprehensive, complex, and sometimes unpredictable governmental regulations, including regulatory initiatives aimed at increasing competition within our industry, may increase our costs and limit our revenue growth, which may adversely affect our operating results.

While we generally refer to our Gas Utility and Electric Utility segments as our "regulated segments," there are many governmental regulations that have an impact on all of our businesses. Currently, we are subject to extensive and changing international, federal, state, and local safety, health, transportation, tax, and environmental laws and regulations governing the storage, distribution, and transportation of our energy products. Moreover, existing statutes and regulations may be revised or reinterpreted and new laws and regulations may be adopted or become applicable to the Company that may affect our businesses in ways that we cannot predict.

New regulations, or a change in the interpretation of existing regulations, could result in increased expenditures. In addition, for many of our operations, we are required to obtain permits from regulatory authorities. Failure to obtain or comply with these permits or applicable laws could result in civil and criminal fines or the cessation of the operations in violation. Governmental regulations and policies in the U.S. and Europe may provide for subsidies or incentives to customers who use alternative fuels instead of carbon fuels. These subsidies and incentives may result in reduced demand for our energy products and services.

We are investigating and remediating contamination at a number of present and former operating sites in the U.S., including former sites where we or our former subsidiaries operated manufactured gas plants. We have also received claims from third parties that allege that we are responsible for costs to clean up properties where we or our former subsidiaries operated a manufactured gas plant or conducted other operations. Costs we incur to remediate sites outside of Pennsylvania cannot currently be recovered in PUC rate proceedings, and insurance may not cover all or even part of these costs. Our actual costs to clean up these sites may exceed our current estimates due to factors beyond our control, such as:

- the discovery of presently unknown conditions;
- changes in environmental laws and regulations;
- judicial rejection of our legal defenses to the third-party claims; or
- the insolvency of other responsible parties at the sites at which we are involved.

Moreover, if we discover additional contaminated sites, we could be required to incur material costs, which would reduce our net income.

We also may be unable to timely respond to changes within the energy and utility sectors that may result from regulatory initiatives to further increase competition within our industry. Such regulatory initiatives may create opportunities for additional competitors to enter our markets and, as a result, we may be unable to maintain our revenues or continue to pursue our current business strategy.

Regulators may not allow timely recovery of costs for UGI Utilities and its subsidiaries in the future, which may adversely affect our results of operations.

In our Gas Utility and Electric Utility segments, our distribution operations are subject to regulation by the PUC. The PUC, among other things, approves the rates that UGI Utilities and its subsidiaries, PNG and CPG, may charge their utility customers, thus impacting the returns that UGI Utilities and its subsidiaries may earn on the assets that are dedicated to those operations. We expect that UGI Utilities and its subsidiaries will periodically file requests with the PUC to increase base rates that each company charges customers. If UGI Utilities or its applicable subsidiary is required in a rate proceeding to reduce the rates it charges its utility customers, or is unable to obtain approval for timely rate increases from the PUC, particularly when necessary to cover increased costs, UGI Utilities' or such subsidiary's revenue growth will be limited and earnings may decrease.

We are subject to operating and litigation risks that may not be covered by insurance.

Our business operations in the U.S. and other countries are subject to all of the operating hazards and risks normally incidental to the handling, storage and distribution of combustible products, such as LPG, propane and natural gas, and the generation of electricity. These risks could result in substantial losses due to personal injury and/or loss of life, and severe damage to and destruction of property and equipment arising from explosions and other catastrophic events, including acts of terrorism. As a result, we are sometimes a defendant in legal proceedings and litigation arising in the ordinary course of business. There can be no assurance that our insurance will be adequate to protect us from all material expenses related to pending and future claims or that such levels of insurance will be available in the future at economical prices.

Our operations, capital expenditures and financial results may be affected by regulatory changes and/or market responses to global climate change.

There continues to be concern, both nationally and internationally, about climate change and the contribution of GHG emissions, most notably carbon dioxide, to global warming. In addition to carbon dioxide, greenhouse gases include, among others, methane, a component of natural gas. While some states have adopted laws and regulations regulating the emission of GHGs for some industry sectors, there is currently no federal or regional legislation mandating the reduction of GHG emissions in the U.S. Although Congress has not enacted federal climate change legislation, the EPA has begun adopting and implementing regulations to restrict emissions of GHGs from motor vehicles and certain large stationary sources, and to require reporting of GHG emissions by certain regulated facilities on an annual basis. For the most part, our facilities are not currently subject to these regulations, but the potential increased costs of regulatory compliance and mandatory reporting by our customers and suppliers could have an effect on our operations or financial condition. The adoption of additional federal or state climate change legislation or regulatory programs to reduce emissions of GHGs could require us or our suppliers to incur increased capital and operating costs, with resulting impact on product price and demand. In September 2009, the EPA issued a final rule establishing a system for mandatory reporting of GHG emissions. In November 2010, the EPA expanded the reach of its GHG reporting requirements to include the petroleum and natural gas industries. Petroleum and natural gas facilities subject to the rule, which include facilities of our natural gas distribution business, were required to begin emissions monitoring in January 2011 and to submit detailed annual reports beginning in March 2012. The rule does not require affected facilities to implement GHG emission controls or reductions. However, in June 2014, the EPA proposed the Clean Power Plan, which will provide standards and guidelines for reducing existing power plants' GHG emissions and related pollutants by 2030. The Clean Power Plan standards and guidelines are expected to be finalized by June 2015. The impact of new legislation and regulations will depend on a number of factors, including (i) which industry sectors would be impacted, (ii) the timing of required compliance, (iii) the overall GHG emissions cap level, (iv) the allocation of emission allowances to specific sources, and (v) the costs and opportunities associated with compliance. At this time, we cannot predict the effect that climate change regulation may have on our business, financial condition or operations in the future.

Our international operations could be subject to increased risks, which may negatively affect our business results.

We currently operate LPG distribution businesses in Europe through our subsidiaries and we continue to explore the expansion of our international businesses. As a result, we face risks in doing business abroad that we do not face domestically. Certain aspects inherent in transacting business internationally could negatively impact our operating results, including:

- costs and difficulties in staffing and managing international operations;
- tariffs and other trade barriers;
- difficulties in enforcing contractual rights;

- longer payment cycles;
- local political and economic conditions, including the current financial downturn in the euro zone;
- potentially adverse tax consequences, including restrictions on repatriating earnings and the threat of “double taxation”;
- fluctuations in currency exchange rates, which can affect demand and increase our costs;
- internal control and risk management practices and policies;
- potential violations of federal regulatory requirements, including the Foreign Corrupt Practices Act of 1977, as amended;
- regulatory requirements and changes in regulatory requirements, including Norwegian, Swiss and EU competition laws that may adversely affect the terms of contracts with customers, including with respect to exclusive supply rights, and stricter regulations applicable to the storage and handling of LPG; and
- new and inconsistently enforced LPG industry regulatory requirements, which can have an adverse effect on our competitive position.

If we are unable to protect our information technology systems against service interruption, misappropriation of data, or breaches of security resulting from cyber security attacks or other events, or we encounter other unforeseen difficulties in the operation of our information technology systems, our operations could be disrupted, our business and reputation may suffer, and our internal controls could be adversely affected.

In the ordinary course of business, we rely on information technology systems, including the Internet and third-party hosted services, to support a variety of business processes and activities and to store sensitive data, including (i) intellectual property, (ii) our proprietary business information and that of our suppliers and business partners, (iii) personally identifiable information of our customers and employees, and (iv) data with respect to invoicing and the collection of payments, accounting, procurement, and supply chain activities. In addition, we rely on our information technology systems to process financial information and results of operations for internal reporting purposes and to comply with financial reporting, legal, and tax requirements. Despite our security measures, our information technology systems may be vulnerable to attacks by hackers or breached due to employee error, malfeasance, sabotage, or other disruptions. A loss of our information technology systems, or temporary interruptions in the operation of our information technology systems, misappropriation of data, and breaches of security could have a material adverse effect on our business, financial condition, results of operations, and reputation. In addition, a cyber security attack could provide a cyber intruder with the ability to control or alter our pipeline operations. Such an act could result in critical pipeline failures.

Moreover, the efficient execution of the Company’s businesses is dependent upon the proper functioning of its internal systems, such as the information technology system that supports the Partnership’s Order-to-Cash business processes. Any significant failure or malfunction of such information technology systems may result in disruptions of our operations. In addition, the effectiveness of our internal controls could be adversely affected if we encounter unforeseen problems with respect to the operation of our information technology systems.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 3. LEGAL PROCEEDINGS

With the exception of those matters set forth in Note 16 to Consolidated Financial Statements included in Item 8 of this Report, no material legal proceedings are pending involving the Company, any of its subsidiaries, or any of their properties, and no such proceedings are known to be contemplated by governmental authorities other than claims arising in the ordinary course of business.

ITEM 4. MINE SAFETY DISCLOSURES

None.

EXECUTIVE OFFICERS

Information regarding our executive officers is included in Part III of this Report and is incorporated in Part I by reference.

PART II:

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our Common Stock is traded on the New York Stock Exchange under the symbol “UGI.” On July 29, 2014, the Company announced that its Board of Directors had approved a three-for-two split of its Common Stock. The additional shares were distributed September 5, 2014 to shareholders of record on August 22, 2014. Sales prices and dividends paid for all periods presented in the following tables are reflected on a post-split basis. The following table sets forth the high and low sales prices for the Common Stock on the New York Stock Exchange Composite Transactions tape as reported in *The Wall Street Journal* for each full quarterly period within the two most recent fiscal years.

2014 Fiscal Year	High	Low
4th Quarter	\$ 36.69	\$ 31.53
3rd Quarter	\$ 33.73	\$ 29.77
2nd Quarter	\$ 30.52	\$ 26.83
1st Quarter	\$ 28.19	\$ 25.25

2013 Fiscal Year	High	Low
4th Quarter	\$ 28.83	\$ 25.35
3rd Quarter	\$ 28.07	\$ 24.29
2nd Quarter	\$ 25.64	\$ 21.93
1st Quarter	\$ 22.39	\$ 20.10

Dividends

Quarterly dividends on our Common Stock were paid in Fiscal 2014 and Fiscal 2013 as follows:

2014 Fiscal Year	Amount
4th Quarter	\$ 0.1967
3rd Quarter	\$ 0.1883
2nd Quarter	\$ 0.1883
1st Quarter	\$ 0.1883

2013 Fiscal Year	Amount
4th Quarter	\$ 0.1883
3rd Quarter	\$ 0.18
2nd Quarter	\$ 0.18
1st Quarter	\$ 0.18

Record Holders

On November 21, 2014, UGI had 6,620 holders of record of Common Stock.

Unregistered Sales of Equity Securities and Use of Proceeds

The following table sets forth information with respect to the Company's repurchases of its Common Stock during the quarter ended September 30, 2014. The shares of UGI Corporation Common Stock presented in this table are reflected on a post-split basis.

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs (1)	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
July 1, 2014 to July 31, 2014	—	\$0	—	14.3 million
August 1, 2014 to August 31, 2014	433,385	\$33.60	433,385	13.9 million
September 1, 2014 to September 30, 2014	108,750	\$35.29	108,750	13.8 million
Total	542,135		542,135	

(1) Shares of UGI Corporation Common Stock are repurchased through a share repurchase program announced by the Company on January 30, 2014. The Board of Directors authorized the repurchase of up to 10 million shares of UGI Corporation Common Stock over a four-year period, or 15,000,000 on a post-split basis.

ITEM 6. SELECTED FINANCIAL DATA

	Year Ended September 30,				
(Dollars in millions, except per share amounts)	2014	2013	2012 (b)	2011	2010
FOR THE PERIOD:					
Income statement data:					
Revenues	\$ 8,277.3	\$ 7,194.7	\$ 6,521.3	\$ 6,090.9	\$ 5,591.1
Net income	\$ 532.6	\$ 427.6	\$ 197.7	\$ 320.0	\$ 346.6
(Deduct net income) add net loss attributable to noncontrolling interests, principally in AmeriGas Partners	(195.4)	(149.5)	12.5	(74.6)	(94.8)
Net income attributable to UGI Corporation	\$ 337.2	\$ 278.1	\$ 210.2	\$ 245.4	\$ 251.8
Earnings per common share attributable to UGI stockholders (a):					
Basic	\$ 1.95	\$ 1.63	\$ 1.24	\$ 1.46	\$ 1.53
Diluted	\$ 1.92	\$ 1.60	\$ 1.24	\$ 1.45	\$ 1.52
Cash dividends declared per common share (a)	\$ 0.791	\$ 0.737	\$ 0.707	\$ 0.68	\$ 0.60
AT PERIOD END:					
Balance sheet data:					
Total assets	\$ 10,093.0	\$ 10,008.8	\$ 9,676.9	\$ 6,660.9	\$ 6,373.6
Capitalization:					
Debt:					
Short-term debt:					
AmeriGas Propane	\$ 109.0	\$ 116.9	\$ 49.9	\$ 95.5	\$ 91.0
UGI International	8.0	6.5	21.0	18.9	92.4
UGI Utilities	86.3	17.5	9.2	—	17.0
Energy Services	7.5	87.0	85.0	24.3	—
Long-term debt (including current maturities):					
AmeriGas Propane	2,291.7	2,300.1	2,328.0	933.5	791.4
UGI International	565.0	654.4	573.9	571.3	561.1
UGI Utilities	642.0	642.0	600.0	640.0	640.0
Other	12.1	12.9	12.4	12.9	13.3
Total debt	3,721.6	3,837.3	3,679.4	2,296.4	2,206.2
UGI Corporation stockholders' equity	2,659.1	2,492.5	2,229.8	1,973.5	1,824.0
Noncontrolling interests, principally in AmeriGas Partners	1,004.1	1,055.4	1,085.6	213.0	237.4
Total capitalization	\$ 7,384.8	\$ 7,385.2	\$ 6,994.8	\$ 4,482.9	\$ 4,267.6
Ratio of capitalization:					
Total debt	50.4%	52.0%	52.6%	51.2%	51.7%
UGI Corporation stockholders' equity	36.0%	33.7%	31.9%	44.0%	42.7%
Noncontrolling interests, principally in AmeriGas Partners	13.6%	14.3%	15.5%	4.8%	5.6%
	100.0%	100.0%	100.0%	100.0%	100.0%

(Dollars in millions, except per share amounts)	Year Ended September 30,				
	2014	2013	2012 (b)	2011	2010
NON-GAAP RECONCILIATION:					
Adjusted net income attributable to UGI Corporation:					
Net income attributable to UGI Corporation	\$ 337.2	\$ 278.1	\$ 210.2	\$ 245.4	\$ 251.8
Net losses (gains) on Midstream & Marketing's commodity derivative instruments not associated with current period transactions	4.9	(4.3)	(8.9)	(17.4)	8.2
Net losses on AmeriGas Propane commodity derivative instruments entered into beginning April 1, 2014, not associated with current period transactions	1.7	—	—	—	—
Retroactive impact of change in French tax law	5.7	—	—	—	—
Adjusted net income attributable to UGI Corporation (c)	<u>\$ 349.5</u>	<u>\$ 273.8</u>	<u>\$ 201.3</u>	<u>\$ 228.0</u>	<u>\$ 260.0</u>
Adjusted earnings per common share attributable to UGI stockholders (a):					
Basic (c)	\$ 2.02	\$ 1.60	\$ 1.19	\$ 1.36	\$ 1.58
Diluted (c)	\$ 1.99	\$ 1.58	\$ 1.18	\$ 1.35	\$ 1.57

(a) All per share amounts presented reflect the retroactive effects of the three-for-two common stock split distributed September 5, 2014 to shareholders of record on August 22, 2014.

(b) Reflects Heritage Propane beginning January 1, 2012. See Note 4 to Consolidated Financial Statements for further information.

(c) "Adjusted net income attributable to UGI Corporation" and "adjusted earnings per share - basic and diluted" are not measures of performance or financial condition under accounting principles generally accepted in the United States of America ("GAAP"). Non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they eliminate the impact of (1) gains and losses on Midstream & Marketing's and, beginning April 1, 2014, AmeriGas Propane's commodity derivative instruments that are not associated with current-period transactions and (2) those items that management regards as highly unusual in nature and not expected to recur. For further discussion of these financial measures, see the Executive Overview in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations."

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") discusses our results of operations and our financial condition. MD&A should be read in conjunction with our Items 1 & 2, "Business and Properties," our Item 1A, "Risk Factors," and our Consolidated Financial Statements in Item 8 below including "Segment Information" included in Note 21 to Consolidated Financial Statements. On July 29, 2014, the Company announced that its Board of Directors had approved a three-for-two split of UGI Common Stock. The additional shares were distributed September 5, 2014, to shareholders of record on August 22, 2014. All references to shares and per share amounts have been retroactively adjusted to reflect the three-for-two stock split.

Executive Overview

We recorded net income attributable to UGI Corporation for Fiscal 2014 of \$337.2 million, equal to \$1.92 per diluted share, compared to net income attributable to UGI Corporation for Fiscal 2013 of \$278.1 million, equal to \$1.60 per diluted share. Net income attributable to UGI Corporation in Fiscal 2014 is net of after-tax losses of \$4.9 million on commodity derivative instruments not associated with current-period transactions at Midstream & Marketing and net after-tax losses of \$1.7 million on AmeriGas Propane's commodity derivative instruments entered into beginning April 1, 2014, not associated with current period transactions. Net income attributable to UGI Corporation in Fiscal 2013 includes net after-tax gains of \$4.3 million related to Midstream & Marketing commodity derivative instruments not associated with current-period transactions. These net after-tax gains and losses are included in "Corporate & Other" in the business unit summary tables below. Results in Fiscal 2014 also reflect the retroactive effect to Fiscal 2013 of a change in tax laws in France, which increased tax expense and reduced Fiscal 2014 net income by \$5.7 million. Adjusted net income attributable to UGI excluding the effects of the previously mentioned commodity derivative instrument gains and losses, and the retroactive impact of the change in tax laws in France, was \$349.5 million (equal to \$1.99 per diluted share) in Fiscal 2014 compared to \$273.8 million (equal to \$1.58 per diluted share) in Fiscal 2013.

The \$75.7 million increase in adjusted net income attributable to UGI in Fiscal 2014 reflects the effects of significantly colder and more volatile winter weather at Midstream & Marketing and significantly colder weather at our Gas Utility and in AmeriGas Propane's service territory east of the Rocky Mountains. The significant increase in operating results from these domestic business units was partially offset by the effects of record warm temperatures at our European LPG business units. During Fiscal 2014, net income attributable to UGI increased \$65.3 million at Midstream & Marketing, \$24.5 million at Gas Utility, and \$15.5 million at AmeriGas Propane. Midstream & Marketing's integrated assets portfolio in the Marcellus Shale in Pennsylvania provided it with the opportunity to take advantage of periods of extreme cold winter weather in the Mid-Atlantic and Northeast U.S. that resulted in heightened natural gas price volatility due to locational basis differentials and increased the demand for, and the value of, winter peaking services. Midstream & Marketing's Electric Generation business results also benefited from higher unit margins and higher production at its Hunlock and Conemaugh electricity generating facilities. The improved results in Fiscal 2014 at Gas Utility principally reflect the effects on core market volumes of weather that was nearly 11% colder than the prior year. The improved results at AmeriGas Propane reflect the retail volume effects of significantly colder weather in the U.S. east of the Rocky Mountains and the full-year realization of the Heritage Propane integration. The benefits of this colder weather on AmeriGas Propane retail volumes sold were offset, in part, by the unfavorable effects on retail volumes sold and distribution expenses from wholesale supply challenges in certain regions of the U.S., caused by industry-wide storage and transportation issues exacerbated by prolonged periods of unusually cold winter weather, and by significantly warmer winter weather in the western U.S. UGI International net income attributable to UGI declined \$34.4 million in Fiscal 2014 principally due to the effects of much warmer than normal winter and spring temperatures at our European LPG businesses on retail volumes sold and the effects of changes in tax laws in France including the previously mentioned \$5.7 million retroactive effect.

Our UGI International base-currency results are translated into U.S. dollars based upon exchange rates experienced during each of the reporting periods. Although the foreign currency to U.S. dollar exchange rates during Fiscal 2014 were slightly higher than in Fiscal 2013, such differences did not have a material impact on UGI International net income attributable to UGI.

We believe each of our business units has sufficient liquidity in the forms of revolving credit facilities, and with respect to Energy Services also an accounts receivable securitization facility, to fund business operations during Fiscal 2015 (see Financial Condition and Liquidity below).

Looking ahead, our results in Fiscal 2015 will be influenced by a number of factors including heating-season weather, the level and volatility of commodity prices for natural gas, LPG, electricity and oil, and economic conditions in the U.S. and Europe. We have made substantial progress on growth initiatives that will fuel earnings growth in the future. The volatility in domestic energy prices and prices for capacity and peaking services experienced in Fiscal 2014 were extreme and we do not expect such volatility to occur to a similar extent in Fiscal 2015. However, we expect that our Midstream & Marketing businesses will continue to

benefit from the growing demand for natural gas in the Northeast and Mid-Atlantic regions and the current infrastructure gap that exists in bringing Marcellus Shale gas to markets in these regions. In addition, we expect to see the beneficial earnings impact from investments that are already in progress or recently completed, including projects to address the Marcellus Shale infrastructure gap. Acquisition activity in Europe over the last several years makes us an attractive supply partner and creates new business opportunities and our proposed acquisition of Total's retail LPG distribution business in France will further strengthen our position in Europe. At Gas Utility, we expect to continue to experience strong growth from conversions from oil as a result of sustained low natural gas prices. To the extent normal weather patterns return in our European LPG operations, we hope to reap the benefits from our acquisition activity in this region.

Non-GAAP Financial Measures - Adjusted Net Income Attributable to UGI and Adjusted Earnings Per Diluted Share

UGI management uses "adjusted net income attributable to UGI" and "adjusted diluted earnings per share," both of which are non-GAAP financial measures, when evaluating UGI's overall performance. Adjusted net income attributable to UGI is net income attributable to UGI after excluding (1) net after-tax gains and losses on commodity derivative instruments not associated with current-period transactions at Midstream & Marketing; (2) net after-tax gains and losses on commodity derivative instruments not associated with current-period transactions at AmeriGas Propane for commodity derivative instruments entered into beginning April 1, 2014; and (3) those items that management regards as highly unusual in nature and not expected to recur.

Midstream & Marketing accounts for realized and unrealized gains and losses on commodity derivative instruments as a component of cost of sales or revenues on the Consolidated Statements of Income. Effective April 1, 2014, AmeriGas Propane determined that on a prospective basis it would not elect cash flow hedge accounting for its commodity derivative transactions. As a result, all unrealized gains and losses on AmeriGas Propane's commodity derivative instruments entered into beginning April 1, 2014, are included as a component of cost of sales on the Consolidated Statements of Income. Volatility in net income attributable to UGI can occur as a result of gains and losses on commodity derivative instruments not associated with current period transactions but included in earnings in accordance with generally accepted accounting principles ("GAAP"). These gains and losses result principally from recording unrealized gains and losses on unsettled commodity derivative instruments and, to a much lesser extent, certain realized gains and losses on settled commodity derivative instruments that are associated with transactions forecasted to occur in a future period.

Non-GAAP financial measures are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not as a substitute for, the comparable GAAP measures. Management believes that these non-GAAP measures provide meaningful information to investors about UGI's performance because they eliminate the impact of (1) gains and losses on Midstream & Marketing's and, beginning April 1, 2014, AmeriGas Propane's commodity derivative instruments that are not associated with current-period transactions and (2) those items that management regards as highly unusual in nature and not expected to recur.

(Millions of dollars, except per share amounts)	2014	2013	2012
Adjusted net income attributable to UGI Corporation:			
Net income attributable to UGI Corporation	\$ 337.2	\$ 278.1	\$ 210.2
Net losses (gains) on Midstream & Marketing's commodity derivative instruments not associated with current period transactions	4.9	(4.3)	(8.9)
Net losses on AmeriGas Propane commodity derivative instruments entered into beginning April 1, 2014, not associated with current period transactions	1.7	—	—
Retroactive impact of change in French tax law	5.7	—	—
Adjusted net income attributable to UGI Corporation	<u>\$ 349.5</u>	<u>\$ 273.8</u>	<u>\$ 201.3</u>
Adjusted diluted earnings per share:			
UGI Corporation earnings per share - diluted	\$ 1.92	\$ 1.60	\$ 1.24
Net losses (gains) on Midstream & Marketing's commodity derivative instruments not associated with current period transactions	0.03	(0.02)	(0.06)
Net losses on AmeriGas Propane commodity derivative instruments entered into beginning April 1, 2014, not associated with current period transactions	0.01	—	—
Retroactive impact of change in French tax law	0.03	—	—
Adjusted diluted earnings per share	<u>\$ 1.99</u>	<u>\$ 1.58</u>	<u>\$ 1.18</u>

Results of Operations

The following analyses compare the Company's results of operations for (1) Fiscal 2014 with Fiscal 2013 and (2) Fiscal 2013 with the fiscal year ended September 30, 2012 ("Fiscal 2012").

Fiscal 2014 Compared with Fiscal 2013

Consolidated Results

Net Income Attributable to UGI Corporation by Business Unit:

(Dollars in millions)	2014		2013		Variance - Favorable (Unfavorable)	
	Amount	% of Total	Amount	% of Total	Amount	% Change
AmeriGas Propane	\$ 63.0	18.7 %	\$ 47.5	17.1%	\$ 15.5	32.6 %
UGI International (a)	48.3	14.3 %	82.7	29.7%	(34.4)	(41.6)%
Gas Utility	118.8	35.2 %	94.3	33.9%	24.5	26.0 %
Midstream & Marketing	117.8	34.9 %	52.5	18.9%	65.3	124.4 %
Corporate & Other (b)	(10.7)	(3.1)%	1.1	0.4%	(11.8)	N.M.
Net income attributable to UGI Corporation	\$ 337.2	100.0 %	\$ 278.1	100.0%	\$ 59.1	21.3 %

(a) Fiscal 2014 includes income tax expense of \$5.7 million to reflect the retroactive effects of a change in tax laws in France.

(b) Includes net after-tax gains (losses) on Midstream & Marketing's unsettled and certain settled commodity derivative instruments not associated with current period transactions, and net after-tax gains (losses) on AmeriGas Propane's unsettled commodity derivative instruments entered into beginning April 1, 2014, totaling \$(6.6) million in Fiscal 2014 and \$4.3 million in Fiscal 2013.

N.M. — Variance is not meaningful.

Highlights — Fiscal 2014 versus Fiscal 2013

- Fiscal 2014 results reflect significantly colder and more volatile winter weather at Midstream & Marketing and significantly colder weather at Gas Utility and in AmeriGas Propane's service territory east of the Rocky Mountains.
- Midstream & Marketing's integrated assets portfolio in the Marcellus Shale in Pennsylvania provided it with the opportunity to take advantage of periods of extreme cold winter weather that resulted in heightened natural gas price volatility due to locational basis differentials and increased the demand for winter peaking services.
- Our UGI International operations in Europe experienced weather that was much warmer than normal which reduced retail volumes sold.
- Fiscal 2014 results reflect the retroactive effects of a change in tax laws in France which increased UGI International tax expense and reduced Fiscal 2014 net income by \$(5.7) million (equal to \$(0.03) per diluted share).
- Net income in Fiscal 2014 includes after-tax losses of \$(6.6) million (equal to \$(0.04) per diluted share) on commodity derivative instruments not associated with current-period transactions while net income in Fiscal 2013 includes after-tax gains of \$4.3 million (equal to \$0.02 per diluted share) on commodity derivative instruments not associated with current-period transactions.

AmeriGas Propane	2014	2013	Increase	
(Dollars in millions)				
Revenues	\$ 3,712.9	\$ 3,168.8	\$ 544.1	17.2%
Total margin (a)	\$ 1,605.8	\$ 1,511.6	\$ 94.2	6.2%
Operating and administrative expenses	\$ 964.1	\$ 945.1	\$ 19.0	2.0%
Partnership EBITDA (b)	\$ 664.8	\$ 596.5	\$ 68.3	11.5%
Operating income	\$ 472.0	\$ 394.4	\$ 77.6	19.7%
Retail gallons sold (millions)	1,275.6	1,245.2	30.4	2.4%
Degree days – % colder (warmer) than normal (c)	3.4%	(4.9)%	—	—

- (a) Total margin represents total revenues less total cost of sales. Total margin in Fiscal 2014 excludes net pre-tax losses of \$9.5 million on AmeriGas Propane unsettled commodity derivative instruments entered into beginning April 1, 2014, not associated with current-period transactions.
- (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) and is not a measure of performance or financial condition under GAAP. Management uses Partnership EBITDA as the primary measure of segment profitability for the AmeriGas Propane segment (see Note 21 to Consolidated Financial Statements). Partnership EBITDA for Fiscal 2013 includes transition expenses of \$26.5 million associated with the integration of Heritage Propane acquired in January 2012.
- (c) Deviation from average heating degree days for the 30-year period 1971-2000 based upon national weather statistics provided by the National Oceanic and Atmospheric Administration (“NOAA”) for 335 airports in the United States, excluding Alaska.

The 2.4% increase in retail gallons sold in Fiscal 2014 reflects average temperatures based upon heating degree days that were 3.4% colder than normal and 8.8% colder than the prior year. The colder average weather reflects significantly colder winter weather in the eastern half of the United States partially offset by warmer weather in the western U.S. The effects of the colder winter weather on retail gallons sold, however, were muted by supply challenges in certain regions of the U.S. that experienced prolonged periods of unusually cold winter weather. In order to ensure that customers in these regions were adequately supplied during these extreme weather conditions, the Partnership instituted supply allocation measures in certain areas, which limited total retail volumes sold and increased distribution costs per gallon.

Retail propane revenues increased \$529.7 million during Fiscal 2014 reflecting the effects of higher average retail selling prices (\$461.9 million), largely the result of higher propane product costs, and the higher retail volumes sold (\$67.8 million). Wholesale propane revenues increased \$24.9 million during Fiscal 2014 reflecting the effects of higher wholesale selling prices (\$33.8 million) partially offset by the effects of slightly lower wholesale volumes sold (\$8.9 million). Average daily wholesale propane commodity prices during Fiscal 2014 at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately 25% higher than such prices during Fiscal 2013. In addition, certain regions of the U.S. experienced an even greater increase in wholesale commodity prices due to supply constraints caused by industry-wide storage and transportation issues exacerbated by the unusually cold winter weather conditions. Partially offsetting the higher retail and wholesale revenues were slightly lower revenues from fee income and other ancillary sales and services. Total cost of sales during Fiscal 2014 increased \$449.9 million principally reflecting the effects of the higher average propane product costs (\$429.2 million) and, to a lesser extent, the effects of the greater retail and wholesale volumes sold (\$27.1 million) partially offset by lower cost of sales from ancillary sales and services.

Total margin increased \$94.2 million in Fiscal 2014 principally reflecting higher retail propane total margin (\$97.4 million) partially offset by lower margin from ancillary sales and services. The increase in retail propane total margin reflects modestly higher average retail propane unit margins and, to a lesser extent, the previously mentioned increase in retail volumes sold.

Partnership EBITDA in Fiscal 2014 increased \$68.3 million principally reflecting the higher total margin (\$94.2 million) partially offset by slightly higher operating and administrative expenses (\$19.0 million) and lower other income. Partnership operating and administrative expenses in the prior fiscal year include \$26.5 million of transition expenses associated with the integration of Heritage Propane acquired in January 2012 (see Note 4 to Consolidated Financial Statements). Excluding the effects of the Heritage Propane transition expenses in the prior year, Partnership operating and administrative expenses increased \$45.5 million. The increase in operating and administrative expenses excluding the effects of the Heritage Propane transition expenses in the prior-year period reflects, among other things, higher distribution-related expenses associated with the higher retail volumes sold and higher distribution costs caused by the supply challenges in certain regions of the U.S. during the second quarter of Fiscal 2014. The increase in operating and administrative costs also reflects higher uncollectible accounts expense (\$9.9 million) and higher

casualty and general liability expenses (\$6.3 million). Operating income increased \$77.6 million in Fiscal 2014 principally reflecting the higher Partnership EBITDA (\$68.3 million) and slightly lower depreciation expense.

UGI International	2014	2013	Increase (Decrease)	
(Dollars in millions)				
Revenues	\$ 2,322.4	\$ 2,179.2	\$ 143.2	6.6 %
Total margin (a)	\$ 664.4	\$ 680.8	\$ (16.4)	(2.4)%
Operating and administrative expenses	\$ 470.2	\$ 454.4	\$ 15.8	3.5 %
Operating income	\$ 117.5	\$ 147.0	\$ (29.5)	(20.1)%
Income before income taxes	\$ 87.4	\$ 116.2	\$ (28.8)	(24.8)%
Retail gallons sold (millions) (b)	583.2	592.4	(9.2)	(1.6)%
Antargaz degree days – % (warmer) colder than normal (c)	(14.1)%	3.7%	—	—
Flaga degree days – % (warmer) colder than normal (c)	(15.7)%	0.9%	—	—

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

(b) Excludes retail gallons from operations in China.

(c) Deviation from average heating degree days for the 30-year period 1981-2010 at locations in our Antargaz and Flaga service territories.

Based upon heating degree day data, temperatures during Fiscal 2014 at our UGI International European LPG territories were significantly warmer than normal compared to temperatures in Fiscal 2013 that were slightly colder than normal. Total retail gallons sold were slightly lower reflecting the effects of the significantly warmer Fiscal 2014 weather partially offset by incremental retail gallons associated with BP Poland's former LPG business in Poland acquired by Flaga in September 2013 ("BP Poland acquisition"). During Fiscal 2014, the average wholesale commodity price for propane in northwest Europe was approximately 9% lower than in the prior-year period while the average wholesale commodity price for butane was approximately 3% lower than the prior-year period.

UGI International base-currency results are translated into U.S. dollars based upon exchange rates experienced during the reporting periods. The functional currency of a significant portion of our UGI International results is the euro. During Fiscal 2014 and Fiscal 2013, the average un-weighted euro-to-dollar translation rate was approximately \$1.36 and \$1.31, respectively. The difference in euro to U.S. dollar translation rates and, to a lesser extent, the difference in the British pound sterling to the U.S. dollar translation rates, did not have a material impact on net income attributable to UGI.

UGI International revenues increased \$143.2 million, notwithstanding the effects of the significantly warmer weather on retail volumes sold, principally reflecting greater total revenues at Flaga (\$178.3 million) including incremental retail and wholesale revenues resulting from the BP Poland acquisition, and, to a much lesser extent, the currency conversion effects of the slightly stronger euro and British pound sterling. This increase in revenues was partially offset by lower total revenues at Antargaz (\$27.1 million) and, to a lesser extent, at AvantiGas principally on lower LPG retail volumes sold partially offset by the currency conversion effects of the slightly stronger euro and British pound sterling. Cost of sales increased \$159.6 million as greater cost of sales at Flaga (\$172.1 million), primarily reflecting retail and wholesale gallons associated with the BP Poland acquisition and, to a lesser extent, the effects of the slightly stronger euro, were partially offset by lower cost of sales at Antargaz and AvantiGas principally as a result of the lower retail LPG gallons sold partially offset by the currency conversion effects of the slightly stronger euro and British pound sterling.

Total UGI International margin decreased \$16.4 million during Fiscal 2014 reflecting lower total margin at Antargaz (\$30.2 million) principally on the lower retail volumes partially offset by the effects of the slightly stronger euro. This decrease in margin was offset in part by slightly higher total margin at Flaga, due primarily to incremental margin associated with the BP Poland acquisition and the slightly stronger euro, and higher total margin at AvantiGas, principally the result of higher average retail unit margins and the slightly stronger British pound sterling.

UGI International operating income and income before income taxes decreased \$29.5 million and \$28.8 million, respectively. The decreases principally reflect the lower total margin (\$16.4 million); increased operating, administrative and depreciation expenses at Flaga (\$9.2 million) principally incremental expenses resulting from the BP Poland acquisition and to a lesser extent the currency conversion effects of the slightly stronger euro; and the currency conversion effects of the stronger euro and British pound sterling on Antargaz and AvantiGas operating, administrative and depreciation expenses. Fiscal 2014 UGI International operating and

administrative costs also include \$6.5 million of incremental expenses associated with the proposed acquisition of Total's retail LPG distribution business in France.

Gas Utility	2014		2013		Increase	
(Dollars in millions)						
Revenues	\$	977.3	\$	839.0	\$	138.3 16.5%
Total margin (a)	\$	480.5	\$	431.8	\$	48.7 11.3%
Operating and administrative expenses	\$	183.8	\$	176.2	\$	7.6 4.3%
Operating income	\$	236.2	\$	196.5	\$	39.7 20.2%
Income before income taxes	\$	199.6	\$	159.1	\$	40.5 25.5%
System throughput – billions of cubic feet (“bcf”) -						
Core market		80.4		70.6		9.8 13.9%
Total		208.8		192.1		16.7 8.7%
Degree days – % colder (warmer) than normal (b)		10.0%		(0.5)%		— —

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

(b) Deviation from average heating degree days for the 15-year period 1995-2009 based upon weather statistics provided by NOAA for airports located within Gas Utility's service territory.

Temperatures in Gas Utility's service territory in Fiscal 2014 based upon heating degree days were 10.0% colder than normal and 10.6% colder than Fiscal 2013. Total distribution system throughput increased 16.7 bcf principally reflecting a 9.8 bcf (13.9%) increase in demand from Gas Utility's core market customers and, to a lesser extent, greater net large firm and interruptible delivery service volumes. Gas Utility system throughput to core market customers was higher than last year principally reflecting the effects of the significantly colder weather and, to a lesser extent, customer growth due principally to conversions from other fuels prompted by sustained lower natural gas prices relative to heating oil prices. Gas Utility's core market customers comprise firm-residential, commercial and industrial (“retail core-market”) customers who purchase their gas from Gas Utility and, to a much lesser extent, residential and small commercial customers who purchase their gas from alternate suppliers.

Gas Utility revenues increased \$138.3 million during Fiscal 2014 principally reflecting higher revenues from core market customers (\$83.6 million), higher revenues from off-system sales (\$36.4 million) and, to a much lesser extent, higher revenues from large firm delivery service customers on higher throughput (\$12.5 million). The increase in core market revenues principally reflects the effects of the higher core market throughput. Increases or decreases in retail core-market revenues and cost of sales principally result from changes in retail core-market volumes and the level of gas costs collected through the PGC recovery mechanism. Under the PGC 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 amounts 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 this 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 sales was \$496.8 million in Fiscal 2014 compared with \$407.2 million in Fiscal 2013 principally reflecting the effects of the greater retail core-market volumes sold (\$50.1 million) and the effects of the higher off-system sales (\$36.4 million).

Fiscal 2014 Gas Utility total margin increased \$48.7 million principally reflecting higher core market total margin (\$33.8 million) and greater large firm delivery service total margin (\$10.8 million). The higher core market and large firm delivery service total margin reflects the effects of the previously mentioned colder weather and customer growth.

Gas Utility operating income and income before income taxes during Fiscal 2014 increased \$39.7 million and \$40.5 million, respectively, over Fiscal 2013. The increase in Gas Utility operating income principally reflects the \$48.7 million increase in total margin partially offset by higher operating and administrative expenses. Operating and administrative expenses in Fiscal 2014 were modestly higher than the prior year principally reflecting greater Fiscal 2014 distribution system maintenance expenses (\$5.3 million), higher uncollectible accounts expense (\$3.0 million) and greater incentive compensation expense partially offset by lower pension expense. The increase in Gas Utility income before income taxes reflects the greater operating income (\$39.7 million) and slightly lower interest expense.

Midstream & Marketing	2014	2013	Increase
(Dollars in millions)			
Revenues (a)	\$ 1,368.9	\$ 1,037.6	\$ 331.3 31.9%
Total margin (b)	\$ 292.2	\$ 164.0	\$ 128.2 78.2%
Operating and administrative expenses	\$ 70.6	\$ 57.0	\$ 13.6 23.9%
Operating income	\$ 198.6	\$ 90.0	\$ 108.6 120.7%
Income before income taxes	\$ 195.7	\$ 86.8	\$ 108.9 125.5%

(a) Amounts are net of intercompany revenues between Midstream & Marketing's Energy Services and Electric Generation segments.

(b) Total margin represents total revenues less total cost of sales. Amounts exclude pre-tax (losses) gains from changes in the fair values of Midstream & Marketing's unsettled commodity derivative instruments and pre-tax (losses) gains on certain settled commodity derivative instruments not associated with current period transactions of \$(8.5) million and \$7.4 million in Fiscal 2014 and Fiscal 2013, respectively.

Fiscal 2014 total revenues were \$331.3 million higher than Fiscal 2013 principally reflecting higher natural gas revenues (\$255.9 million) and, to a much lesser extent, higher capacity management (\$61.6 million), peaking (\$25.4 million) and natural gas gathering revenues (\$12.9 million). The increase in natural gas revenues principally reflects higher wholesale and retail natural gas volumes sold and higher natural gas prices during Fiscal 2014. The greater capacity management and peaking service revenues principally reflect higher demand for natural gas pipeline capacity at significantly higher prices caused by periods of extreme cold weather in the Northeast and Mid-Atlantic regions primarily during the months of January and February 2014. Midstream & Marketing revenues were also higher due to incremental revenues from the Auburn pipeline extension which was placed in service during the first quarter of Fiscal 2014. Midstream & Marketing cost of sales increased to \$1,076.7 million in Fiscal 2014 compared to \$873.6 million in Fiscal 2013 principally reflecting the higher natural gas volumes and prices.

Midstream & Marketing total margin increased \$128.2 million (78.2%) in Fiscal 2014 principally reflecting higher capacity management and peaking service total margin (\$78.8 million), higher retail natural gas total margin (\$24.5 million), higher Electric Generation total margin (\$13.9 million) and increased natural gas gathering total margin (\$12.9 million) primarily reflecting incremental margin from the previously mentioned Auburn pipeline extension. The significant increase in total margin from capacity management and peaking activities reflects the effects of periods of extreme cold winter weather primarily during January and February which resulted in heightened natural gas price volatility due to locational basis differentials and also increased the demand for, and the value of, winter peaking services. The greater total margin from Electric Generation principally reflects the impact of higher unit margins at the Hunlock natural gas-fired electricity generating facility due in large part to lower locally-sourced natural gas feedstock costs, greater electricity production, and higher Electric Generation capacity revenues. These increases in total margin were partially offset by lower total margin from retail power sales.

Midstream & Marketing operating income and income before income taxes during Fiscal 2014 increased \$108.6 million and \$108.9 million, respectively, over Fiscal 2013 reflecting the previously mentioned significant increase in total margin (\$128.2 million) partially offset by higher operating and administrative expenses (\$13.6 million) and depreciation expenses (\$5.4 million). The higher operating, administrative and depreciation expenses include, among other things, increased operating and depreciation expenses associated with storage and natural gas gathering assets and higher incentive compensation costs. Electric Generation operating expenses in Fiscal 2014 were slightly higher largely a result of the increased production activity at the Hunlock electricity generating facility offset, in part, by lower maintenance costs at the Conemaugh generating facility.

Interest Expense. Our consolidated interest expense during Fiscal 2014 was \$237.7 million, approximately equal to the \$240.3 million of interest expense recorded during Fiscal 2013.

Income Taxes. Our consolidated effective income tax rate for Fiscal 2014 was higher than Fiscal 2013. The higher effective tax rate in Fiscal 2014 reflects, in large part, the effects of new tax legislation in France approved by the French Parliament in December 2013 and, to a lesser extent, a higher proportion of pretax earnings from higher tax rate domestic business units. The new tax legislation in France, among other things, limits Antargaz' ability to deduct certain interest expense for income tax purposes and increases the corporate surtax rate for a period of two years. Based upon our review of the new tax legislation, provisions of the new tax legislation associated with the deductibility of certain interest expense at Antargaz applies retroactively to Fiscal 2013. During the quarter ended December 31, 2013, the Company recorded additional income taxes of \$5.7 million to reflect the retroactive effects of the new French tax legislation associated with the deductibility of certain interest expense.

Fiscal 2013 Compared with Fiscal 2012 Consolidated Results

Net Income Attributable to UGI Corporation by Business Unit:

(Dollars in millions)	2013		2012		Variance - Favorable (Unfavorable)	
	Amount	% of Total	Amount	% of Total	Amount	% Change
AmeriGas Propane	\$ 47.5	17.1%	\$ 15.4	7.3%	\$ 32.1	208.4%
UGI International (a)	82.7	29.7%	65.2	31.0%	17.5	26.8%
Gas Utility	94.3	33.9%	81.6	38.8%	12.7	15.6%
Midstream & Marketing	52.5	18.9%	37.7	17.9%	14.8	39.3%
Corporate & Other (a)	1.1	0.4%	10.3	5.0%	(9.2)	N.M.
Net income attributable to UGI Corporation	\$ 278.1	100.0%	\$ 210.2	100.0%	\$ 67.9	32.3%

(a) Includes net after-tax gains on Midstream & Marketing's unsettled and certain settled commodity derivative instruments not associated with current period transactions of \$4.3 million and \$8.9 million in Fiscal 2013 and Fiscal 2012, respectively.

N.M. — Variance is not meaningful.

Highlights — Fiscal 2013 versus Fiscal 2012

- Net income increased significantly in Fiscal 2013 due primarily to a return to more normal winter weather patterns and cooler spring temperatures.
- Fiscal 2013 results include the full-year effects of AmeriGas Partners' January 2012 acquisition of Heritage Propane and the benefits from the integrations of Heritage Propane and Shell's LPG distribution businesses in the United Kingdom, Belgium, the Netherlands, Luxembourg, Denmark, Finland, Norway and Sweden acquired in October 2011 (the "Shell Transaction").
- Fiscal 2013 results include Heritage Propane transition expenses of \$26.5 million (after-tax impact to UGI of \$(4.4) million equal to \$(0.03) per diluted share). Fiscal 2012 results include combined Heritage Propane and Shell pre-tax acquisition and transition expenses totaling approximately \$53 million (after-tax impact to UGI of \$(13.3) million equal to \$(0.08) per diluted share).
- Fiscal 2013 LPG unit margins at AmeriGas Propane and UGI International were higher principally reflecting the benefit of lower average LPG commodity costs.
- Midstream & Marketing's Energy Services business benefited from the colder weather including higher income from winter peaking and capacity management activities. Additionally, Midstream & Marketing's Electric Generation business results improved on higher generation volumes and higher average unit margins.
- Gas Utility continued to experience record numbers of customer conversions to natural gas from alternative fuels.
- AmeriGas Propane's Fiscal 2012 results include a \$2.2 million after-tax loss (impact of \$0.01 per diluted share) on extinguishments of debt.
- Net income in Fiscal 2013 includes after-tax gain of \$4.3 million (equal to \$0.02 per diluted share) on commodity derivative instruments not associated with current-period transactions compared with after-tax gains of \$8.9 million (impact of \$0.06 per diluted share) on commodity derivative instruments not associated with current-period transactions in Fiscal 2012.

AmeriGas Propane	2013		2012		Increase
(Dollars in millions)					
Revenues	\$	3,168.8	\$	2,921.5	\$ 247.3 8.5%
Total margin (a)	\$	1,511.6	\$	1,199.1	\$ 312.5 26.1%
Operating and administrative expenses	\$	945.1	\$	888.4	\$ 56.7 6.4%
Partnership EBITDA (b)	\$	596.5	\$	322.1	\$ 274.4 85.2%
Operating income	\$	394.4	\$	168.7	\$ 225.7 133.8%
Retail gallons sold (millions)		1,245.2		1,017.5	227.7 22.4%
Degree days – % (warmer) than normal (c)		(4.9)%		(18.6)%	— —

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

(b) Partnership EBITDA should not be considered as an alternative to net income (as an indicator of operating performance) and is not a measure of performance or financial condition under GAAP. Management uses Partnership EBITDA as the primary measure of segment profitability for the AmeriGas Propane segment (see Note 21 to Consolidated Financial Statements). Partnership EBITDA for Fiscal 2012 includes pre-tax losses of \$13.3 million associated with extinguishments of debt. Partnership EBITDA and operating income for Fiscal 2013 and Fiscal 2012 also include acquisition and transition expenses of \$26.5 million and \$46.2 million, respectively, associated with Heritage Propane.

(c) Deviation from average heating degree days for the 30-year period 1971-2000 based upon national weather statistics provided by NOAA for 335 airports in the United States, excluding Alaska.

Results for Fiscal 2013 reflect the full-year operations of Heritage Propane acquired in January 2012. Based upon heating degree-day data, temperatures in the Partnership's service territories during Fiscal 2013 averaged approximately 4.9% warmer than normal but 16.2% colder than in Fiscal 2012. Retail gallons sold increased 227.7 million gallons (22.4%) principally reflecting the full-year impact of the Heritage Propane operations and the colder Fiscal 2013 weather.

Retail propane revenues increased \$241.6 million during Fiscal 2013 reflecting the higher retail volumes sold (\$567.6 million) partially offset by a decline in average retail selling prices (\$326.0 million) resulting from lower propane product costs. Wholesale propane revenues declined \$33.7 million principally reflecting lower average wholesale propane selling prices (\$28.6 million) and lower wholesale volumes sold (\$5.1 million). Average daily wholesale propane commodity prices during Fiscal 2013 at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately 19% lower than such prices during Fiscal 2012. Total revenues from fee income and other ancillary sales and services in Fiscal 2013 were \$39.4 million higher than in Fiscal 2012 principally reflecting the full-year effects of Heritage Propane. Total propane cost of sales decreased \$76.5 million principally reflecting the effects of the previously mentioned lower propane commodity prices on retail propane cost of sales (\$376.3 million) and lower wholesale propane cost of sales (\$36.8 million) substantially offset by the effects of the greater retail volumes sold (\$336.6 million). Cost of sales associated with ancillary sales and services increased \$11.3 million principally reflecting the full-year effects of Heritage Propane.

Total margin increased \$312.5 million in Fiscal 2013 principally reflecting higher total propane margin (\$284.4 million) and greater total margin from fee income and ancillary sales and services (\$28.1 million). These increases principally reflect the incremental full-year effects of Heritage Propane, the colder Fiscal 2013 weather and, with respect to total propane margin, slightly higher average unit margins reflecting in large part the lower propane product costs.

Partnership EBITDA in Fiscal 2013 increased \$274.4 million principally reflecting the higher total margin (\$312.5 million) and the absence of the \$13.3 million loss on extinguishments of debt recorded in Fiscal 2012 partially offset by higher Partnership operating and administrative expenses (\$56.7 million) primarily attributable to the full-year effects of Heritage Propane operations. Operating and administrative expenses in Fiscal 2013 include \$26.5 million of transition expenses associated with the integration of Heritage Propane while operating and administrative expenses in Fiscal 2012 include Heritage Propane acquisition and transition-related expenses of \$46.2 million. AmeriGas Propane operating income increased \$225.7 million in Fiscal 2013 principally reflecting the higher total margin (\$312.5 million) partially offset by the previously mentioned greater operating and administrative expenses (\$56.7 million) and increased depreciation and amortization expense (\$37.8 million) reflecting in large part the full-year effects of Heritage Propane.

UGI International	2013		2012		Increase		
(Dollars in millions)							
Revenues	\$	2,179.2	\$	1,946.1	\$	233.1	12.0%
Total margin (a)	\$	680.8	\$	620.3	\$	60.5	9.8%
Operating and administrative expenses	\$	454.4	\$	435.9	\$	18.5	4.2%
Operating income	\$	147.0	\$	111.9	\$	35.1	31.4%
Income before income taxes	\$	116.2	\$	80.7	\$	35.5	44.0%
Retail gallons sold (millions) (b)		592.4		576.5		15.9	2.8%
Antargaz degree days – % colder (warmer) than normal (c)		3.7%		(7.1)%		—	—
Flaga degree days – % colder (warmer) than normal (c)		0.9%		(6.4)%		—	—

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

(b) Excludes retail gallons from operations in China.

(c) Deviation from average heating degree days for the 30-year period 1981-2010 at locations in our Antargaz and Flaga service territories.

Based upon heating degree day data, temperatures in our European LPG territories in Fiscal 2013 were colder than normal and colder than the prior year. Although Fiscal 2013 wholesale commodity prices for propane and butane based upon index prices in northwest Europe averaged only slightly lower than in Fiscal 2012, such LPG prices generally declined during the Fiscal 2013 peak heating season while LPG prices generally increased during the Fiscal 2012 peak heating season. Retail LPG gallons sold in Fiscal 2013 were higher than Fiscal 2012 principally reflecting the effects of significantly colder weather across all of our European operations partially offset by the effects of a decline in economic activity mainly on commercial and industrial customers in certain of our European markets.

Our UGI International base-currency results are translated into U.S. dollars based upon exchange rates experienced during each of the reporting periods. The functional currency of a significant portion of our UGI International results is the euro. During Fiscal 2013 and Fiscal 2012, the average unweighted translation rate was approximately \$1.31 and \$1.30 per euro, respectively. The difference in rates did not have a material impact on net income attributable to UGI.

UGI International revenues increased \$233.1 million principally reflecting the effects on LPG revenues of greater low-margin wholesale sales, the increase in LPG retail volumes sold and, to a lesser extent, greater average retail prices. The increase in revenues also reflects higher revenues from natural gas marketing activities in France. Cost of sales increased to \$1,498.4 million in Fiscal 2013 from \$1,325.8 million in Fiscal 2012 principally reflecting the effects of the greater wholesale and retail LPG volumes sold. The higher UGI International cost of sales also reflects increased cost of sales associated with natural gas marketing activities in France.

Total UGI International margin increased \$60.5 million during Fiscal 2013 principally reflecting higher retail LPG unit margins and volumes at Antargaz and, to a much lesser extent, higher total LPG margin at AvantiGas and Flaga.

UGI International operating income and income before income taxes increased \$35.1 million and \$35.5 million, respectively, principally reflecting the higher total margin (\$60.5 million) partially offset by modestly higher operating and administrative expenses. Operating and administrative expenses in Fiscal 2013 principally reflect higher delivery, selling, and incentive compensation and benefits costs principally at Antargaz. Fiscal 2013 UGI International operating and administrative costs include approximately \$4.0 million of acquisition and transition costs associated with Flaga's September 2013 acquisition of BP's LPG distribution business in Poland, while Fiscal 2012 UGI International operating and administrative expenses include acquisition and transition costs of approximately \$7.0 million associated with the LPG businesses acquired from Shell in October 2011. UGI International net income in Fiscal 2013 as a percentage of UGI International's earnings before income taxes was lower than the prior year as the Fiscal 2012 UGI International effective income tax rate reflects, in part, the effects of a greater proportion of UGI International tax benefits relative to pre-tax income and the realization of \$4.7 million of previously unrecognized foreign tax credits.

Gas Utility	2013		2012		Increase		
(Dollars in millions)							
Revenues	\$	839.0	\$	785.4	\$	53.6	6.8%
Total margin (a)	\$	431.8	\$	382.9	\$	48.9	12.8%
Operating and administrative expenses	\$	176.2	\$	156.0	\$	20.2	12.9%
Operating income	\$	196.5	\$	174.1	\$	22.4	12.9%
Income before income taxes	\$	159.1	\$	134.0	\$	25.1	18.7%
System throughput – bcf -							
Core market		70.6		59.2		11.4	19.3%
Total		192.1		177.6		14.5	8.2%
Degree days – % (warmer) than normal (b)		(0.5)%		(16.3)%		—	—

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

(b) Deviation from average heating degree days for the 15-year period 1995-2009 based upon weather statistics provided by NOAA for airports located within Gas Utility's service territory.

Temperatures in the Gas Utility service territory in Fiscal 2013 based upon heating degree days were 0.5% warmer than normal but 18.2% colder than Fiscal 2012. Total distribution system throughput increased principally reflecting significantly higher throughput to core market customers and, to a lesser extent, greater net volumes associated with lower margin firm and interruptible delivery service customers. Gas Utility system throughput to core market customers was above last year principally reflecting the effects of the significantly colder weather and, to a much lesser extent, customer growth, principally conversions from oil prompted by sustained lower natural gas prices relative to heating oil prices.

Gas Utility revenues increased \$53.6 million during Fiscal 2013 principally reflecting higher revenues from core market customers (\$52.8 million) and higher large firm delivery service revenues (\$9.2 million) partially offset by lower off-system sales revenues (\$8.6 million). The increase in core market revenues principally reflects the effects of higher retail core-market volumes on PGC revenues (\$60.4 million) and greater core market delivery service revenues partially offset by the effects of lower average PGC rates on retail core-market revenues (\$50.6 million). Gas Utility's cost of sales was \$407.2 million in Fiscal 2013 compared with \$402.5 million in Fiscal 2012 principally reflecting the effects on cost of sales of the greater retail core-market volumes (\$60.4 million) substantially offset by the effects of lower average PGC rates (\$50.6 million) and the lower off-system sales.

Gas Utility total margin increased \$48.9 million in Fiscal 2013 principally reflecting higher core market margin (\$38.1 million) and higher large firm delivery service total margin (\$9.6 million). The higher core market margin reflects the effects of the greater core market volumes.

The increase in Gas Utility operating income during Fiscal 2013 principally reflects the increase in total margin (\$48.9 million) partially offset by higher operating and administrative expenses (\$20.2 million) including, among other things, higher pension and benefits expenses (\$10.7 million), higher uncollectible accounts expenses (\$2.8 million) on higher core market volumes, and greater injuries and damages and distribution system expenses (\$4.5 million). The greater income before income taxes in Fiscal 2013 reflects the higher operating income (\$22.4 million) and slightly lower interest expense on lower long-term debt outstanding.

Midstream & Marketing	2013		2012		Increase	
(Dollars in millions)						
Revenues (a)	\$	1,037.6	\$	853.9	\$	183.7 21.5%
Total margin (b)	\$	164.0	\$	130.4	\$	33.6 25.8%
Operating and administrative expenses	\$	57.0	\$	53.9	\$	3.1 5.8%
Operating income	\$	90.0	\$	64.3	\$	25.7 40.0%
Income before income taxes	\$	86.8	\$	59.5	\$	27.3 45.9%

(a) Amounts are net of intercompany revenues between Midstream & Marketing's Energy Services and Electric Generation segments.

(b) Total margin represents total revenues less total cost of sales. Amounts exclude pre-tax gains from changes in the fair values of Midstream & Marketing's unsettled commodity derivative instruments and pre-tax gains on certain settled commodity derivative instruments not associated with current period transactions of \$7.4 million and \$15.1 million in Fiscal 2013 and Fiscal 2012, respectively.

Midstream & Marketing total revenues increased \$183.7 million in Fiscal 2013 principally reflecting, among other things, higher natural gas revenues (\$145.1 million) from higher wholesale volumes sold and higher average selling prices for natural gas, and higher Electric Generation total revenues (\$30.7 million) principally the result of higher electricity volumes and prices.

Midstream & Marketing Fiscal 2013 total margin was \$33.6 million higher than Fiscal 2012 reflecting higher Electric Generation total margin (\$15.6 million), higher natural gas marketing total margin (\$14.2 million), and greater peaking and capacity management total margin (\$13.4 million) due to the colder weather and greater natural gas price volatility. These increases were partially offset by lower retail power total margin principally reflecting lower average unit margins. Total margin from natural gas marketing activities in Fiscal 2013 principally reflects the benefits of higher average unit margins. Natural gas marketing average unit margins in Fiscal 2013 benefited from higher-margin incremental sales resulting from the colder weather while average unit margins in Fiscal 2012 were negatively impacted by significantly warmer than normal weather. The greater total margin from Electric Generation principally reflects the impact of higher electricity production from our Hunlock natural gas-fired electricity generating station and greater volumes sold from the Conemaugh generating station. In Fiscal 2012 the Hunlock generating station was running at less than full capacity due to an accident at one unit and flood damage at another unit sustained late in Fiscal 2011. Unit margins from Electric Generation were higher in Fiscal 2013 reflecting higher electricity spot market prices, the effects of lower per unit fuel costs at the Hunlock generating station, and higher capacity revenues from the Hunlock and Conemaugh generating stations.

Midstream & Marketing operating income in Fiscal 2013 was \$25.7 million higher than Fiscal 2012 reflecting the previously mentioned increase in total margin (\$33.6 million) partially offset by higher operating, administrative and depreciation expenses.

The higher operating and administrative expenses (\$3.1 million) include greater Energy Services operating expenses (\$2.6 million) due in large part to expenses associated with peaking LNG liquefaction and storage facilities and incremental expenses associated with our non-operating working interest in natural gas acreage in the Marcellus Shale region in northern Pennsylvania acquired in January 2013. The increase in depreciation expenses (\$4.9 million) principally reflects greater depreciation associated with the full-year operation of LNG facilities and the Hunlock generating station. The increase in Midstream & Marketing income before income taxes reflects the greater operating income and lower interest expense.

Interest Expense. Our consolidated interest expense was \$19.9 million higher in Fiscal 2013 primarily reflecting higher AmeriGas Propane interest expense (\$25.0 million), principally full-year interest on debt issued to fund the cash portion of the January 12, 2012, acquisition of Heritage Propane, partially offset by slightly lower UGI Utilities interest expense (\$2.9 million) on slightly lower long-term debt outstanding and lower Midstream & Marketing interest expense.

Income Taxes. Income taxes as a percentage of pretax earnings was lower in Fiscal 2013 reflecting, in part, the effects of a higher percentage of income associated with noncontrolling interests not subject to tax, principally AmeriGas Partners, and the realization of previously unrecognized state deferred tax benefits while income taxes in Fiscal 2012 were reduced by \$4.7 million as a result of the realization of previously unrecognized foreign tax credits.

Financial Condition and Liquidity

We depend on both internal and external sources of liquidity to provide funds for working capital and to fund capital requirements. Our short-term cash requirements not met by cash from operations are generally satisfied with borrowings under credit facilities and, in the case of Midstream & Marketing, also from a receivables purchase facility. Long-term cash requirements not met by cash from operations are generally met through issuance of long-term debt or equity securities. We believe that each of our business units has sufficient liquidity in the forms of cash and cash equivalents on hand; cash expected to be generated from operations; credit facility and receivables purchase facility borrowings; and the ability to obtain long-term financing to meet anticipated contractual and projected cash commitments. Issuances of debt and equity securities in the capital markets and additional credit facilities may not, however, be available to us on acceptable terms.

Our cash and cash equivalents, excluding cash in commodity futures brokerage accounts that is restricted from withdrawal, totaled \$419.5 million at September 30, 2014, compared with \$389.3 million at September 30, 2013. Excluding cash and cash equivalents that reside at UGI's operating subsidiaries, at September 30, 2014 and 2013, UGI had \$245.9 million and \$192.5 million, respectively, of cash and cash equivalents. Such cash is available to pay dividends on UGI Common Stock and for investment purposes.

The primary sources of UGI's cash and cash equivalents are the dividends and other cash payments made to UGI or its corporate subsidiaries by its principal business units.

AmeriGas Propane's ability to pay dividends to UGI is dependent upon distributions it receives from AmeriGas Partners. At September 30, 2014, our 27% effective ownership interest in the Partnership consisted of approximately 23.8 million Common Units and an aggregate 2% general partner interest. Approximately 45 days after the end of each fiscal quarter, the Partnership distributes all of its Available Cash (as defined in the Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, as amended (the "Partnership Agreement")) relating to such fiscal quarter. AmeriGas Propane, as general partner of AmeriGas Partners, is entitled to receive incentive distributions when AmeriGas Partners' quarterly distribution exceeds \$0.605 per limited partner unit (see Note 15 to the Consolidated Financial Statements). The aggregate amounts of such incentive distributions in Fiscal 2014, Fiscal 2013 and Fiscal 2012 were \$23.9 million, \$19.3 million and \$13.0 million, respectively.

During Fiscal 2014, Fiscal 2013 and Fiscal 2012, our principal business units paid cash dividends and made other cash payments to UGI and its subsidiaries as follows:

Year Ended September 30, (Millions of dollars)	2014	2013	2012
AmeriGas Propane	\$ 92.0	\$ 96.2	\$ 78.6
UGI Utilities	77.4	59.0	70.6
UGI International	11.2	22.3	14.9
Midstream & Marketing	—	—	55.0
Total	\$ 180.6	\$ 177.5	\$ 219.1

Dividends in Fiscal 2012 from Midstream & Marketing were used to fund a portion of the October 2011 Shell Transaction (see Note 4 to Consolidated Financial Statements).

UGI Common Stock Split

On July 29, 2014, UGI's Board of Directors approved a 3-for-2 common stock split. The additional shares were distributed September 5, 2014, to shareholders of record on August 22, 2014. Basic and diluted earnings per share and dividends declared per share for all periods presented have been retroactively adjusted to reflect the stock split.

Dividends and Distributions

On July 29, 2014, UGI's Board of Directors approved an approximate 10.6% increase in the quarterly dividend rate on UGI Common Stock to \$0.2175 per share or \$0.87 per share on an annual basis. The new quarterly dividend was effective with the dividend payable on October 1, 2014, to shareholders of record on September 15, 2014. Previously, on April 29, 2014, UGI's Board of Directors approved an approximate 4.4% increase in the quarterly dividend rate on UGI Common Stock to \$0.1967 per share or \$0.7867 per share on an annual basis. This quarterly dividend rate was effective with the dividend paid on July 1, 2014, to shareholders of record on June 16, 2014.

On April 28, 2014, the General Partner's Board of Directors approved an increase in the quarterly distribution rate on AmeriGas Partners Common Units to \$0.88 per Common Unit, equal to an annual rate of \$3.52 per Common Unit. This quarterly distribution rate was effective with the distribution paid on May 19, 2014, to unitholders of record on May 9, 2014.

Long-term Debt and Credit Facilities

The Company's debt outstanding at September 30, 2014, totaled \$3,721.6 million (including current maturities of long-term debt of \$77.2 million and short-term borrowings of \$210.8 million) compared to debt outstanding at September 30, 2013, of \$3,837.3 million (including current maturities of long-term debt of \$67.2 million and short-term borrowings of \$227.9 million). Total debt outstanding at September 30, 2014, consists of (1) \$2,400.7 million of Partnership debt; (2) \$573.0 million of UGI International debt; (3) \$728.3 million of UGI Utilities' debt; (4) \$7.5 million of Energy Services debt; and (5) \$12.1 million of other debt. For a detailed description of the Company's debt, see below and Notes 5 and 6 to the Consolidated Financial Statements.

AmeriGas Partners. AmeriGas Partners' total debt at September 30, 2014, includes \$2,250.8 million of AmeriGas Partners' Senior Notes, \$40.9 million of other long-term debt and \$109.0 million of AmeriGas OLP short-term borrowings.

UGI International. UGI International's total debt at September 30, 2014, includes \$432.0 million (€342.0 million) outstanding under Antargaz' Senior Facilities term loan, \$52.0 million under Flaga's U.S. dollar-denominated term loan and a combined \$74.6 million (€59.1 million) outstanding under Flaga's euro-denominated term loans. Total UGI International debt outstanding at September 30, 2014, also includes (1) \$8.0 million (€6.3 million) of Flaga short-term borrowings, and (2) \$6.4 million (€5.1 million) of other long-term debt.

Antargaz. Antargaz has a variable-rate term loan agreement with a consortium of banks ("Senior Facilities Agreement"). At September 30, 2014, the Senior Facilities Agreement consists of (1) a €342 million variable-rate term loan and (2) a €40 million credit facility. Scheduled maturities under the term loan are €34.2 million due May 2015 and €307.8 million due March 2016. Antargaz has entered into pay-fixed, receive-variable interest rate swaps to fix the underlying euribor rate of interest on the term loan at an average rate of approximately 2.45% through September 2015 and, thereafter, at a rate of approximately 3.71% through the date of the term loan's final maturity in March 2016. At September 30, 2014, the effective interest rate on Antargaz' term loan was 4.79%.

Flaga. Flaga has a \$52.0 million U.S. dollar-denominated three-year loan that expires in September 2016. The \$52.0 million loan bears interest at one- to twelve-month euribor rates (as chosen by Flaga from time to time) plus a margin. Flaga has effectively fixed the euribor component of the interest rate, and has effectively fixed the U.S. dollar value of the interest and principal payments payable under the \$52.0 million loan, by entering into a cross-currency swap arrangement with a bank. At September 30, 2014, the effective interest rate on the \$52.0 million loan was 1.82%.

Flaga also has a €40 million (\$50.5 million) euro-based term loan agreement under which €26.7 million matures in August 2016 and €13.3 million matures in September 2016, and a €19.1 million (\$24.1 million) euro-based variable rate term loan that matures in October 2016. The €40 million term loans bear interest at one- to twelve-month euribor rates (as chosen by Flaga from time to time) plus margins, and the €19.1 million term loan bears interest at three-month euribor rates plus a margin. Flaga has effectively fixed the euribor components of the interest rates on these term loans through the dates of their expiration by entering into interest rate swap agreements. At September 30, 2014, the effective interest rates on the €40 million and €19.1 million term loans were 4.25% and 3.40%, respectively.

UGI Utilities. UGI Utilities' total debt at September 30, 2014, includes long-term debt comprising \$450.0 million of Senior Notes, \$192.0 million of Medium-Term Notes, and \$86.3 million of short-term borrowings.

In March 2014, UGI Utilities issued in a private placement \$175 million of 4.98% Senior Notes due March 2044 ("4.98% Senior Notes"). The 4.98% Senior Notes were issued pursuant to a Note Purchase Agreement dated October 30, 2013, between UGI Utilities and certain note purchasers. The 4.98% Senior Notes are unsecured and rank equally with UGI Utilities' existing outstanding senior debt. The net proceeds from the sale of the 4.98% Senior Notes were used to repay \$175 million of borrowings under UGI Utilities' 364-day Term Loan Credit Agreement.

Short-term Debt

Due to the seasonal nature of the Company's businesses, cash provided by operating activities is generally strongest during the second and third fiscal quarters when customers pay for natural gas, LPG, electricity and other energy products and services consumed during the peak heating season months. Conversely, cash from operating activities is generally at its lowest levels during the first and fourth fiscal quarters when the Company's investment in working capital, principally inventories and accounts receivable, is generally greatest. AmeriGas Propane and UGI Utilities primarily use their credit facilities to satisfy their seasonal

operating cash flow needs. Energy Services historically has used its Receivables Facility to satisfy its operating cash flow needs. Energy Services also has a \$240 million credit facility, which it can use for working capital and general corporate purposes. Flaga principally uses borrowings under its credit agreements to satisfy its operating cash flow needs. During Fiscal 2014, Fiscal 2013 and Fiscal 2012, Antargaz generally funded its operating cash flow needs without using its revolving credit facility and AvantiGas has funded its operating cash flow needs from cash on hand. Borrowings under the credit facilities and under the Energy Services Receivables Facility are classified as short-term debt on the Consolidated Balance Sheets.

AmeriGas Partners. In June 2014, AmeriGas OLP entered into an Amended and Restated Credit Agreement (“AmeriGas Credit Agreement”) with a group of banks which provides for borrowings up to \$525 million (including a sublimit of \$125 million for letters of credit). The AmeriGas Credit Agreement amends and restates AmeriGas OLP’s prior credit agreement entered into with a group of banks in June 2011, as amended from time to time. Among other things, the AmeriGas Credit Agreement reduces the applicable margin on base rate and Eurodollar borrowings and reduces the facility fee. The aforementioned margins and facility fees are dependent upon AmeriGas Partners’ ratio of debt to earnings before interest expense, income taxes, depreciation and amortization (as defined) which amount excludes, among other things, unrealized gains and losses on economic hedge transactions. The AmeriGas Credit Agreement expires in June 2019.

UGI International. Under its Senior Facilities Agreement, Antargaz has a €40 million credit facility that expires in March 2016 (“Antargaz Credit Facility”). Flaga has two principal working capital facilities (the “Flaga Credit Agreements”) comprising (1) a €46 million multi-currency working capital facility that includes an uncommitted €6 million overdraft facility (the “Flaga Multi-Currency Working Capital Facility”) and (2) a euro-denominated working capital facility that provides for borrowings and issuances of guarantees totaling €12 million (the “Euro Facility”). The Company intends to extend both the Flaga Multi-Currency Working Capital Facility and the Euro Facility prior to their expiration in December 2014.

UGI Utilities. UGI Utilities has a revolving credit agreement (the “UGI Utilities Credit Agreement”) with a group of banks providing for borrowings of up to \$300 million (including a \$100 million sublimit for letters of credit) that expires in October 2015.

Midstream & Marketing. Energy Services has an unsecured credit agreement (“Energy Services Credit Agreement”) with a group of lenders providing for borrowings of up to \$240 million (including a \$50 million sublimit for letters of credit) that expires in June 2016. The Energy Services Credit Agreement can be used for general corporate purposes of Energy Services and its subsidiaries and to fund dividend payments provided that, after giving effect to such dividend payments, Energy Services maintains a specified ratio of Consolidated Total Indebtedness to EBITDA, each as defined in the Energy Services Credit Agreement.

Information about the Company’s principal credit agreements (excluding the Energy Services Receivables Facility which is discussed below) as of September 30, 2014 and 2013, is presented in the tables below.

(Millions of dollars or euros)	Total Capacity	Borrowings Outstanding	Letters of Credit and Guarantees Outstanding	Available Capacity	Weighted Average Interest Rate - End of Year
September 30, 2014					
AmeriGas Credit Agreement	\$525.0	\$109.0	\$64.7	\$351.3	2.16%
Antargaz Credit Facility	€40.0	€0.0	€0.0	€40.0	N.A.
Flaga Credit Agreements	€58.0	€0.0	€32.3	€25.7	N.A.
UGI Utilities Credit Agreement	\$300.0	\$86.3	\$2.0	\$211.7	1.03%
Energy Services Credit Agreement	\$240.0	\$0.0	\$0.0	\$240.0	N.A.
September 30, 2013					
AmeriGas Credit Agreement	\$525.0	\$116.9	\$53.7	\$354.4	2.69%
Antargaz Credit Facility	€40.0	€0.0	€0.0	€40.0	N.A.
Flaga Credit Agreements	€58.0	€0.2	€28.6	€29.2	4.21%
UGI Utilities Credit Agreement	\$300.0	\$17.5	\$2.0	\$280.5	1.18%
Energy Services Credit Agreement	\$240.0	\$57.0	\$0.0	\$183.0	2.91%

The average daily and peak short-term borrowings under the Company’s principal credit agreements during Fiscal 2014 and Fiscal 2013 are as follows:

(Millions of dollars or euros)	2014		2013	
	Average	Peak	Average	Peak
AmeriGas Credit Agreement	\$156.6	\$320.0	\$103.8	\$200.5
Flaga Credit Agreements	€1.1	€3.6	€4.3	€11.9
UGI Utilities Credit Agreement	\$29.9	\$86.3	\$25.6	\$79.0
Energy Services Credit Agreement	\$41.4	\$114.0	\$44.5	\$85.0

Energy Services has a receivables purchase facility (“Receivables Facility”) with an issuer of receivables-backed commercial paper currently scheduled to expire in October 2015. The Receivables Facility, as amended, provides Energy Services with the ability to borrow up to \$150 million of eligible receivables during the period November through May, and up to \$75 million of eligible receivables during the period June through October. Energy Services uses the Receivables Facility to fund working capital, margin calls under commodity futures contracts, capital expenditures, dividends and for general corporate purposes.

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 major bank. ESFC was created and has been structured to isolate its assets from creditors of Energy Services and its affiliates, including UGI. Trade receivables sold to the bank remain on the Company’s balance sheet and the Company reflects a liability equal to the amount advanced by the bank. The Company records interest expense on amounts owed to the bank.

At September 30, 2014, the outstanding balance of ESFC trade receivables was \$46.4 million and there was \$7.5 million that was sold to the bank and reflected as short-term borrowings on the Consolidated Balance Sheets. At September 30, 2013, the outstanding balance of ESFC trade receivables was \$55.0 million of which \$30.0 million was sold to a commercial paper conduit of the bank. During Fiscal 2014 and Fiscal 2013, peak sales of receivables were \$70.0 million and \$46.5 million, respectively, and average daily amounts sold were \$15.7 million and \$10.4 million, respectively.

Cash Flows

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, LPG, electricity and other energy products and services consumed during the peak heating season months. Conversely, operating cash flows are generally at their lowest levels during the fourth and first fiscal quarters when the Company’s investment in working capital, principally inventories and accounts receivable, is generally greatest.

Operating Activities:

Year Ended September 30,	2014		2013		2012
(Millions of dollars)					
Net cash provided by operating activities	\$	1,005.4	\$	801.5	\$ 707.7

Year-to-year variations in cash flow from operations can be significantly affected by changes in operating working capital especially during periods of significant changes in energy commodity prices. Cash flow from operating activities before changes in operating working capital was \$1,011.9 million in Fiscal 2014, \$845.6 million in Fiscal 2013 and \$629.0 million in Fiscal 2012. The year-over-year increases in cash flow from operating activities before changes in operating working capital largely reflect the year-over-year increases in the Company’s operating results. Changes in operating working capital (used) provided operating cash flow of \$(6.5) million in Fiscal 2014, \$(44.1) million in Fiscal 2013 and \$78.7 million in Fiscal 2012. The lower cash required to fund changes in working capital in Fiscal 2014 compared with Fiscal 2013 reflects, in large part, the greater net cash flow from changes in accounts receivable resulting from the significantly warmer weather at UGI International partially offset by cash used to fund Fiscal 2014 increases in propane inventories at AmeriGas Propane and natural gas inventories at Antargaz. The higher cash from changes in working capital in Fiscal 2012 reflects the timing of the acquisition of Heritage Propane on cash receipts from Heritage Propane customers.

Investing Activities:

Year Ended September 30, (Millions of dollars)	2014	2013	2012
Net cash used by investing activities	\$ (487.6)	\$ (553.3)	\$ (1,904.5)

Investing activity cash flow is principally affected by cash expenditures for property, plant and equipment; cash paid for acquisitions of businesses; changes in restricted cash balances and net cash proceeds from sales of property, plant and equipment. Cash paid for acquisitions in Fiscal 2014 includes the acquisition by Midstream & Marketing of the retail natural gas marketing business of EQT Energy, LLC, and several Partnership acquisitions. Cash paid for acquisitions in Fiscal 2013 largely includes Flaga's acquisition of BP's LPG distribution business in Poland; Midstream & Marketing's acquisition of a non-operating working interest in natural gas acreage in the Marcellus Shale region of Pennsylvania; and several Partnership acquisitions. Cash paid for acquisitions in Fiscal 2012 principally reflects the January 2012 acquisition of Heritage Propane and the October 2011 acquisition of certain of Shell's European LPG businesses. Cash expenditures for property, plant and equipment totaled \$456.8 million in Fiscal 2014, \$486.0 million in Fiscal 2013 and \$339.4 million in Fiscal 2012. Cash from changes in restricted cash in futures brokerage accounts (used) provided cash of \$(8.3) million in Fiscal 2014, \$(5.3) million in Fiscal 2013 and \$14.2 million in Fiscal 2012. The amount of restricted cash required in such accounts is generally the result of changes in underlying commodity prices. Other cash from investing activities includes, among other things, cash from the sale of excess properties of the Partnership subsequent to the Heritage Propane acquisition.

Financing Activities:

Year Ended September 30, (Millions of dollars)	2014	2013	2012
Net cash (used) provided by financing activities	\$ (475.7)	\$ (186.1)	\$ 1,278.5

Changes in cash flow from financing activities are primarily due to issuances and repayments of long-term debt; short-term borrowings; dividends and distributions on UGI Common Stock and AmeriGas Partners Common Units; and issuances or repurchases of UGI and AmeriGas Partners equity instruments.

The increases in dividends on UGI Common Stock and distributions on AmeriGas Partners' publicly held Common Units during the three-year period reflects annual increases in quarterly dividend and distribution rates. The increase in distributions on AmeriGas Partners' publicly held Common Units in Fiscal 2013 compared to Fiscal 2012 also reflects the full-year impact of a greater number of Common Units outstanding subsequent to the acquisition of Heritage Propane. In order to finance the cash portion of the acquisition of Heritage Propane on January 12, 2012, AmeriGas Partners issued \$550 million principal amount of 6.75% Notes due 2020 and \$1.0 billion principal amount of 7.00% Notes due 2022. During March 2012, AmeriGas Partners sold 7 million Common Units in an underwritten public offering and used a portion of the net proceeds to repay \$200 million of outstanding 6.50% Senior Notes due May 2021, to reduce short-term borrowings and for general corporate purposes.

Capital Expenditures

In the following table, we present capital expenditures (which exclude acquisitions but include capital leases) for Fiscal 2014, Fiscal 2013 and Fiscal 2012. We also provide amounts we expect to spend in Fiscal 2015. We expect to finance Fiscal 2015 capital expenditures principally from cash generated by operations, borrowings under credit facilities and cash on hand.

Year Ended September 30, (Millions of dollars)	2015 (estimate)	2014	2013	2012
AmeriGas Propane	\$ 111.0	\$ 113.9	\$ 111.1	\$ 103.1
UGI International	83.8	73.2	70.8	64.2
Gas Utility	191.9	156.4	144.4	109.0
Midstream & Marketing	174.0	83.4	156.4	60.4
Other	15.4	9.5	7.5	6.5
Total	\$ 576.1	\$ 436.4	\$ 490.2	\$ 343.2

Midstream & Marketing's capital expenditures in Fiscal 2014, Fiscal 2013 and Fiscal 2012 principally reflect capital expenditures related to natural gas storage, electric generation and Marcellus Shale infrastructure projects. AmeriGas Propane's Fiscal 2013

and Fiscal 2012 capital expenditures include \$20.4 million and \$17.6 million, respectively, related to Heritage Propane integration activities. The higher levels of Gas Utility capital expenditures in Fiscal 2014 and Fiscal 2013 reflect greater main replacement and system improvement capital expenditures and increases in new business capital expenditures.

Contractual Cash Obligations and Commitments

The Company has contractual cash obligations that extend beyond Fiscal 2014. Such obligations include scheduled repayments of long-term debt, interest on long-term fixed-rate debt, operating lease payments, unconditional purchase obligations for pipeline capacity, pipeline transportation and natural gas storage services and commitments to purchase natural gas, LPG and electricity, capital expenditures and derivative instruments. The following table presents contractual cash obligations with non-affiliates under agreements existing as of September 30, 2014:

(Millions of dollars)	Payments Due by Period				
	Total	Fiscal 2015	Fiscal 2016 - 2017	Fiscal 2018 - 2019	Thereafter
Long-term debt (a)	\$ 3,507.7	\$ 76.7	\$ 799.9	\$ 502.6	\$ 2,128.5
Interest on long-term-fixed rate debt (b)	1,571.9	215.8	375.7	341.0	639.4
Operating leases	309.1	72.6	107.0	65.0	64.5
AmeriGas Propane supply contracts	205.1	130.8	74.3	—	—
UGI International supply contracts	217.5	144.7	72.8	—	—
Midstream & Marketing supply contracts	455.5	302.1	149.1	4.3	—
UGI Utilities supply, storage and transportation contracts	389.4	156.9	111.7	54.4	66.4
Derivative instruments (c)	35.8	27.7	7.7	0.4	—
Other purchase obligations (d)	43.5	43.5	—	—	—
Total	<u>\$ 6,735.5</u>	<u>\$ 1,170.8</u>	<u>\$ 1,698.2</u>	<u>\$ 967.7</u>	<u>\$ 2,898.8</u>

(a) Based upon stated maturity dates.

(b) Based upon stated interest rates adjusted for the effects of interest rate swaps.

(c) Represents the sum of amounts due from us if derivative instrument liabilities were settled at September 30, 2014, amounts reflected in the Consolidated Balance Sheet (but excluding amounts associated with interest rate swaps).

(d) Includes material capital expenditure obligations.

Other noncurrent liabilities included in our Consolidated Balance Sheet at September 30, 2014, principally comprise refundable tank and cylinder deposits (as further described in Note 2 to Consolidated Financial Statements under the caption “Refundable Tank and Cylinder Deposits”); litigation, property and casualty liabilities and obligations under environmental remediation agreements (see Note 16 to Consolidated Financial Statements); pension and other postretirement benefit liabilities recorded in accordance with accounting guidance relating to employee retirement plans (see Note 8 to Consolidated Financial Statements); and liabilities associated with executive compensation plans (see Note 14 to Consolidated Financial Statements). These liabilities are not included in the table of Contractual Cash Obligations and Commitments because they are estimates of future payments and not contractually fixed as to timing or amount. Required minimum contributions to UGI Utilities’ pension plan (as further described below under “U.S. Pension Plan”) in Fiscal 2015 are not expected to be material. Required minimum contributions to the U.S. Pension Plan in years beyond Fiscal 2015 will depend in large part on the impact of future returns and interest rates on pension plan assets. Certain of our operating lease arrangements, primarily vehicle leases with remaining lease terms of one to ten years, have residual value guarantees. Although such fair values at the end of the leases have historically exceeded the guaranteed amount, at September 30, 2014, the maximum potential amount of future payments under lease guarantees assuming the leased equipment was deemed worthless was approximately \$23.9 million.

Pending Acquisition of Total LPG Distribution Business in France

On November 11, 2014, UGI Corporation’s indirect wholly owned subsidiary, UGI Bordeaux Holding, entered into a Share Purchase Agreement with Total Marketing Services, a subsidiary of Total, to acquire all of the outstanding shares of Totalgaz, Total’s LPG distribution business in France, for a purchase price between €400 - €450 million in cash subject to working capital and other adjustments. Totalgaz distributed over 265 million retail gallons of LPG in 2013, serving residential, commercial,

industrial and autogas customers. The transaction is subject to customary closing conditions, including regulatory approvals, and is expected to close during the first half of calendar year 2015. UGI expects to fund the purchase of Totalgaz with a combination of long-term debt and cash on the balance sheet.

On October 17, 2014, UGI Corporation's indirect wholly owned subsidiary, UGI International Enterprises, Inc. ("International Enterprises"), entered into a €300 million Senior Secured Bridge Facility Agreement with a consortium of lenders ("Bridge Facility") to provide an additional source of financing, if necessary, to fund a portion of the pending acquisition of Totalgaz. The availability of the Bridge Facility, which has not yet been drawn, is subject to compliance with certain terms and conditions as set forth in the Bridge Facility, including, among others, the substantially concurrent consummation of the Totalgaz acquisition. Any loans under the Bridge Facility will mature on the date that is one year following the closing date of the acquisition of Totalgaz or if not paid in full will be converted into a term loan maturing on the seventh anniversary of such closing date. The Bridge Facility will be secured on a first-priority basis by certain assets of International Enterprises' subsidiaries and, if drawn, will be guaranteed on a senior unsecured basis by UGI Corporation.

U.S. Pension Plan

In the U.S., we sponsor a defined benefit pension plan for employees hired prior to January 1, 2009, of UGI, UGI Utilities, PNG, CPG and certain of UGI's other domestic wholly owned subsidiaries ("U.S. Pension Plan"). The fair values of the U.S. Pension Plan's assets totaled \$442.4 million and \$398.2 million at September 30, 2014 and 2013, respectively. At September 30, 2014 and 2013, the underfunded positions of the U.S. Pension Plan, defined as the excess of the projected benefit obligation ("PBO") over the U.S. Pension Plan's assets, were \$97.3 million and \$88.3 million, respectively.

We believe we are in compliance with regulations governing defined benefit pension plans, including Employee Retirement Income Security Act of 1974 ("ERISA") rules and regulations. Required minimum contributions to the U.S. Pension Plan in Fiscal 2015 are not expected to be material. Pre-tax pension cost associated with the U.S. Pension Plan in Fiscal 2014 was \$10.9 million. Pre-tax pension cost associated with the U.S. Pension Plan in Fiscal 2015 is expected to be approximately \$11.0 million.

GAAP guidance associated with pension and other postretirement plans generally requires recognition of an asset or liability in the statement of financial position reflecting the funded status of pension and other postretirement benefit plans with current year changes recognized in shareholders' equity unless such amounts are subject to regulatory recovery. At September 30, 2014, we have recorded after-tax charges to UGI Corporation's stockholders' equity of \$20.6 million and recorded regulatory assets totaling \$110.1 million in order to reflect the funded status of our pension and other postretirement benefit plans. For a more detailed discussion of the U.S. Pension Plan and our other postretirement benefit plans, see Note 8 to Consolidated Financial Statements.

Related Party Transactions

During Fiscal 2014, Fiscal 2013 and Fiscal 2012, we did not enter into any related-party transactions that had a material effect on our financial condition, results of operations or cash flows.

Off-Balance-Sheet Arrangements

UGI primarily enters into guarantee arrangements on behalf of its consolidated subsidiaries. These arrangements are not subject to the recognition and measurement guidance relating to guarantees under GAAP.

We do not have any off-balance-sheet arrangements that are expected to have a material effect on our financial condition, change in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Utility Matters

On February 20, 2014, the PUC entered an order approving a Growth Extension Tariff ("GET Gas") program under which UGI Gas, PNG and CPG may invest up to \$5 million per year for five years to extend natural gas utility pipelines to provide service to unserved and underserved areas within their respective territories. Under the GET Gas program, customers utilizing the extended pipeline to receive natural gas will pay a monthly surcharge over a 10-year period to cover the cost of the extension. UGI Gas, PNG, and CPG began connecting customers under the GET Gas program in October 2014.

On February 1, 2012, CPG filed an application with the PUC for review and approval of the transfer of an 11-mile natural gas pipeline, related facilities and rights of way located in Delmar Township, Pennsylvania ("TL-96 line") to Energy Services. The PUC approved the transfer and, in April 2013, the TL-96 line was dividended to UGI and subsequently contributed to Energy Services. The net book value of the TL-96 line was approximately \$2.6 million.

Manufactured Gas Plants

CPG is party to a Consent Order and Agreement (“CPG-COA”) with the DEP requiring CPG to perform a specified level of activities associated with environmental investigation and remediation work at certain properties in Pennsylvania on which manufactured gas plant (“MGP”) related facilities were operated (“CPG MGP Properties”) and to plug a minimum number of non-producing natural gas wells per year. In addition, PNG is a party to a Multi-Site Remediation Consent Order and Agreement (“PNG-COA”) with the DEP. The PNG-COA requires PNG to perform annually a specified level of activities associated with environmental investigation and remediation work at certain properties on which MGP-related facilities were operated (“PNG MGP Properties”). Under these agreements, environmental expenditures relating to the CPG MGP Properties and the PNG MGP Properties are capped at \$1.8 million and \$1.1 million, respectively, in any calendar year. The CPG-COA is scheduled to terminate at the end of 2018. The PNG-COA terminates in 2019 but may be terminated by either party effective at the end of any two-year period beginning with the original effective date in March 2004. At September 30, 2014 and 2013, our accrued liabilities for environmental investigation and remediation costs related to the CPG-COA and the PNG-COA totaled \$10.7 million and \$14.0 million, respectively. In accordance with GAAP related to rate-regulated entities, we have recorded associated regulatory assets in equal amounts.

From the late 1800s through the mid-1900s, UGI Utilities and its former subsidiaries owned and operated a number of 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, by the early 1950s UGI Utilities divested all of its utility operations other than certain Pennsylvania operations, including those which now constitute UGI Gas 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 (1) UGI Gas is currently permitted to include in rates, through future base rate proceedings, a five-year average of such prudently incurred remediation costs and (2) CPG and PNG are currently receiving regulatory recovery of estimated environmental investigation and remediation costs associated with Pennsylvania sites. At September 30, 2014, neither the undiscounted nor the accrued liability for environmental investigation and cleanup costs for UGI Gas was material.

From time to time, UGI Utilities is notified of sites outside Pennsylvania on which private parties allege MGPs were formerly owned or operated by UGI Utilities or owned or operated by its former subsidiaries. Such parties generally investigate the extent of environmental contamination or perform environmental remediation. 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.

Market Risk Disclosures

Our primary market risk exposures are (1) commodity price risk; (2) interest rate risk; and (3) foreign currency exchange rate risk. 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.

Commodity Price Risk

The risk associated with fluctuations in the prices the Partnership and our UGI International 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. The Partnership and UGI International 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. Our UGI International operations use over-the-counter derivative commodity instruments and may from time to time enter into other derivative contracts, similar to those used by the Partnership, to reduce market risk associated with a portion of their LPG purchases. Over-the-counter derivative commodity instruments used to hedge forecasted purchases of propane are generally settled at expiration of the contract. In addition, Antargaz hedges a portion

of its future U.S. dollar-denominated LPG product purchases through the use of forward foreign exchange contracts as further described below.

Gas Utility's tariffs contain clauses that permit recovery of all of the prudently incurred costs of natural gas it sells to its customers, including the cost of financial instruments used to hedge purchased gas costs. 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 derivative financial instruments, including natural gas futures and option contracts traded on the New York Mercantile Exchange ("NYMEX") to reduce volatility in the cost of gas it purchases for its retail core-market customers. The cost of these derivative financial instruments, net of any associated gains or losses, is included in Gas Utility's PGC recovery mechanism.

Electric Utility's default service ("DS") tariffs contain clauses which permit recovery of all prudently incurred power costs, including the cost of financial instruments used to hedge electricity costs, through the application of DS rates. Because of this ratemaking mechanism, there is limited power cost risk, including the cost of financial transmission rights ("FTRs") and forward electricity purchase contracts, associated with our Electric Utility operations.

In addition, Gas Utility and Electric Utility from time to time enter into exchange-traded gasoline futures and swap contracts for a portion of gasoline volumes expected to be used in their operations. These gasoline futures and swap contracts are recorded at fair value with changes in fair value reflected in other income.

In order to manage market price risk relating to substantially all of Midstream & Marketing's fixed-price sales contracts for natural gas and electricity, Midstream & Marketing enters into NYMEX, Intercontinental Exchange and over-the-counter natural gas and electricity futures and natural gas basis swap contracts or enters into fixed-price supply arrangements. Midstream & Marketing also uses NYMEX and over-the-counter electricity futures contracts to economically hedge a portion of its anticipated sales of electricity from its electricity generation facilities. Although Midstream & Marketing's fixed-price supply arrangements mitigate most risks associated with its fixed-price sales contracts, should any of the suppliers under these arrangements fail to perform, increases, if any, in the cost of replacement natural gas or electricity would adversely impact Midstream & Marketing's results. In order to reduce this risk of supplier nonperformance, Midstream & Marketing has diversified its purchases across a number of suppliers.

Midstream & Marketing purchases FTRs to economically hedge certain transmission costs that may be associated with its fixed-price electricity sales contracts. Midstream & Marketing from time to time also enters into New York Independent System Operator ("NYISO") capacity swap contracts to economically hedge the locational basis differences for customers it serves on the NYISO electricity grid. Midstream & Marketing also uses NYMEX futures contracts to economically hedge the gross margin associated with the purchase and anticipated later sale of natural gas or propane.

Midstream & Marketing has entered into fixed-price sales agreements for a portion of the electricity expected to be generated by its electric generation assets. In the event that these generation assets would not be able to produce all of the electricity needed to supply electricity under these agreements, Midstream & Marketing would be required to purchase electricity on the spot market or under contract with other electricity suppliers. Accordingly, increases in the cost of replacement power could negatively impact Midstream & Marketing's results.

Interest Rate Risk

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 their 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 short-term borrowings and Antargaz' and Flaga's variable-rate term loans. These debt agreements have interest rates that are generally indexed to short-term market interest rates. Antargaz and Flaga have effectively fixed the underlying euribor interest rates on their euro-denominated term loans through their scheduled maturity dates through the use of interest rate swaps. In addition, Flaga's \$52 million U.S. dollar-denominated loan has been swapped from fixed-rate U.S. dollars to fixed-rate euro currency at issuance through cross currency swaps, removing interest rate risk and foreign currency exchange risk associated with the underlying interest and principal payments. At September 30, 2014, combined borrowings outstanding under variable-rate debt agreements, excluding Antargaz' and Flaga's effectively fixed-rate term loans and Flaga's U.S. dollar-denominated loan, totaled \$210.8 million. Based upon average borrowings outstanding under variable-rate borrowings (excluding Antargaz' and Flaga's effectively fixed-rate term loan debt and Flaga's U.S. dollar-denominated loan), an increase in short-term interest rates of 100 basis points (1%) would have increased our Fiscal 2014 and Fiscal 2013 interest expense by approximately \$2.3 million and \$1.8 million, respectively. The remainder of our debt outstanding is subject to fixed rates of interest. A 100 basis point increase in market interest rates would result in decreases in the fair value of this fixed-rate debt of approximately \$143

million and \$170 million at September 30, 2014 and 2013, respectively. A 100 basis point decrease in market interest rates would result in increases in the fair value of this fixed-rate debt of approximately \$120 million and \$102 million at September 30, 2014 and 2013, respectively.

Long-term debt associated with our domestic businesses 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 interest rates reflecting then-current market conditions. In order to reduce interest rate risk associated with near- to medium-term forecasted issuances of fixed-rate debt, from time to time we enter into interest rate protection agreements ("IRPAs"). There were no unsettled IRPAs at September 30, 2014.

Foreign Currency Exchange Rate Risk

Our primary currency exchange rate risk is associated with the U.S. dollar versus the euro. The U.S. dollar value of our foreign currency denominated assets and liabilities will fluctuate with changes in the associated foreign currency exchange rates. From time to time, we use derivative instruments to hedge portions of our net investments in foreign subsidiaries ("net investment hedges"). Gains or losses on net investment hedges remain in accumulated other comprehensive income until such foreign operations are liquidated. At September 30, 2014, there were no unsettled net investment hedges outstanding. With respect to our net investments in our International Propane operations, a 10% decline in the value of the associated foreign currencies versus the U.S. dollar, excluding the effects of any net investment hedges, would reduce their aggregate net book value at September 30, 2014, by approximately \$96 million, which amount would be reflected in other comprehensive income.

In addition, in order to reduce volatility, Antargaz hedges a portion of its anticipated U.S. dollar-denominated LPG product purchases during the months of October through March through the use of forward foreign exchange contracts. The amount of dollar-denominated purchases of LPG associated with such contracts generally represents approximately 15% - 30% of estimated dollar-denominated purchases to occur during the heating-season months of October to March.

Derivative Instrument Credit Risk

We are exposed to risk of loss in the event of nonperformance by our derivative financial instrument counterparties. Our derivative financial instrument counterparties principally comprise large energy companies and major U.S. and international financial institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include evaluating and monitoring our counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits.

Certain of our derivative instrument agreements call for the posting of collateral by the counterparty or by the Company in the forms of letters of credit, parental guarantees or cash. Additionally, our natural gas and electricity exchange-traded futures contracts generally require cash deposits in margin accounts. Changes in natural gas, LPG and electricity product costs can require our business units to post collateral with counterparties or make margin deposits to brokerage accounts. At September 30, 2014 and 2013, restricted cash in brokerage accounts totaled \$16.6 million and \$7.0 million, respectively.

The following table summarizes the fair values of unsettled market risk sensitive derivative instruments assets (liabilities) held at September 30, 2014 and 2013. The table also includes the changes in fair values of derivative instruments that would result if there were (1) a 10% adverse change in the market prices of LPG, gasoline, natural gas, electricity and electricity transmission congestion charges; (2) a 50 basis point adverse change in the three-month and one-month Euribor rates; and (3) a 10% change in the value of the euro versus the U.S. dollar. Gas Utility's and Electric Utility's derivative instruments other than gasoline futures and swap contracts are excluded from the table below because any associated net gains or losses are refundable to or recoverable from customers in accordance with Gas Utility and Electric Utility ratemaking.

(Millions of dollars)	Asset (Liability)	
	Fair Value	Change in Fair Value
September 30, 2014:		
Commodity price risk	\$ (23.2)	\$ (64.7)
Interest rate risk	\$ (20.9)	\$ (3.7)
Foreign currency exchange rate risk	\$ 14.8	\$ (26.4)
September 30, 2013:		
Commodity price risk	\$ 14.0	\$ (48.3)
Interest rate risk	\$ (31.0)	\$ (7.4)
Foreign currency exchange rate risk	\$ (7.5)	\$ (26.2)

Critical Accounting Policies and Estimates

Accounting policies and estimates discussed in this section are those that we consider to be the most critical to an understanding of our financial statements because they involve significant judgments and uncertainties. Changes in these policies and estimates could have a material effect on the financial statements. The application of these accounting policies and estimates necessarily requires management's most subjective or complex judgments regarding estimates and projected outcomes of future events which could have a material impact on the financial statements. Management has reviewed these critical accounting policies, and the estimates and assumptions associated with them, with the Company's Audit Committee. In addition, management has reviewed the following disclosures regarding the application of these critical accounting policies and estimates with the Audit Committee. Also, see Note 2 to Consolidated Financial Statements which discusses the significant accounting policies that we have selected from acceptable alternatives.

Litigation Accruals and Environmental Remediation Liabilities. We are involved in litigation regarding pending claims and legal actions that arise in the normal course of business. In addition, UGI Utilities and its former subsidiaries owned and operated a number of MGPs in Pennsylvania and elsewhere, and PNG and CPG owned and operated a number of MGP sites located in Pennsylvania, at which hazardous substances may be present. In accordance with GAAP, when a loss is considered probable and reasonably estimable, we record a liability in the amount of our best estimate for the ultimate loss. When there is a range of possible loss with equal likelihood, liabilities recorded are based upon the low end of such range. The likelihood of a loss with respect to a particular contingency is often difficult to predict and determining a reasonable estimate of the loss or a range of possible loss may not be practicable based upon the information available and the potential effects of future events and decisions by third parties that will determine the ultimate resolution of the contingency. Reasonable estimates involve management judgments based on a broad range of information and prior experience. These judgments are reviewed quarterly as more information is received, and the amounts reserved are updated as necessary. Such estimated reserves may differ materially from the actual liability and such reserves may change materially as more information becomes available and estimated reserves are adjusted.

Accounting For Derivative Instruments At Fair Value. The Company enters into derivative instruments to economically hedge the risks associated with changes in commodity prices, interest rates and foreign currency rates. Accounting requirements for derivatives and related hedging activities are complex and may be subject to further clarification by standard-setting bodies. These derivatives are recognized as assets and liabilities at fair value on the Consolidated Balance Sheets. Derivative assets and liabilities are presented net by counterparty on our Consolidated Balance Sheets if the right of offset exists. The accounting for changes in fair value depends upon the purpose of the derivative instrument and whether it is designated and qualifies for hedge accounting. Changes in the fair values of certain derivative instruments that qualify and are designated as cash flow hedges are recorded in accumulated other comprehensive income ("AOCI") or noncontrolling interests, both of which are components of equity, to the extent effective at offsetting changes in the hedged item, until earnings are affected by the hedged item. Changes in the fair values of derivative instruments that we do not designate as, or that do not qualify for, hedge accounting under GAAP, which currently comprise substantially all of Midstream & Marketing's commodity derivative instruments and, beginning April 1, 2014, AmeriGas Propane's commodity derivative instruments, are recognized in earnings on the Consolidated Statements of Income. The fair values of our derivative instruments are determined based upon actively-quoted market prices for identical assets and liabilities, indicative price quotations available through brokers, industry price publications or recent market transactions and related market indicators. We maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Gains and losses associated with derivatives utilized by UGI Utilities to manage the price risk inherent in its natural gas and electricity purchasing activities are recoverable through PGC or Electric Utility DS mechanisms, subject to PUC approval. Accordingly, the offset to the change in fair value of these derivatives is recorded as either a regulatory asset or liability on the Consolidated Balance

Sheets. At September 30, 2014, the net fair value of our derivative assets totaled \$27.0 million and the net fair value of our derivative liabilities totaled \$56.8 million.

Regulatory Assets and Liabilities. Gas Utility and Electric Utility are subject to regulation by the PUC. In accordance with accounting guidance associated with rate-regulated entities, we record the effects of rate regulation in our financial statements as regulatory assets or regulatory liabilities. We continually assess whether the regulatory assets are probable of future recovery by evaluating the regulatory environment, recent rate orders and public statements issued by the PUC, and the status of any pending deregulation legislation. If future recovery of regulatory assets ceases to be probable, the elimination of those regulatory assets would adversely impact our results of operations and cash flows. As of September 30, 2014, our regulatory assets totaled \$268.2 million. See Notes 2 and 9 to Consolidated Financial Statements.

Depreciation and Amortization of Long-Lived Assets. We compute depreciation on utility property, plant and equipment on a straight-line basis over the average remaining lives of its various classes of depreciable property and on our non-utility property, plant and equipment on a straight-line basis over estimated useful lives generally ranging from 3 to 40 years. We also use amortization methods and determine asset values of intangible assets subject to amortization using reasonable assumptions and projections. Changes in the estimated useful lives of property, plant and equipment and changes in intangible asset amortization methods or values could have a material effect on our results of operations. As of September 30, 2014, our net property, plant and equipment totaled \$4,543.7 million and we recorded depreciation expense of \$305.7 million during Fiscal 2014. As of September 30, 2014, our net intangible assets subject to amortization totaled \$448.2 million and we recorded amortization expense on intangible assets subject to amortization of \$48.2 million during Fiscal 2014.

Purchase Price Allocations. From time to time, the Company enters into material business combinations. In accordance with accounting guidance associated with business combinations, the purchase price is allocated to the various assets acquired and liabilities assumed at their estimated fair value. Fair values of assets acquired and liabilities assumed are based upon available information and we may involve an independent third party to perform appraisals. Estimating fair values can be complex and subject to significant business judgment and most commonly impacts property, plant and equipment and intangible assets, including those with indefinite lives. Generally, we have, if necessary, up to one year from the acquisition date to finalize the purchase price allocation.

Impairment of Goodwill. We perform impairment tests on goodwill resulting from purchase business combinations at least annually at the reporting unit level. A reporting unit is the operating segment, or a business one level below the operating segment (a component), if discrete financial information is prepared and regularly reviewed by segment management. Components are aggregated if they have similar economic characteristics. In accordance with GAAP, each of our reporting units with goodwill is required to perform impairment tests annually or whenever events or circumstances indicate that the value of goodwill may be impaired. For certain of our reporting units, we assess qualitative factors to determine whether it is more likely than not that the fair value of such reporting unit is less than its carrying amount. For our other reporting units with goodwill, we determine fair values generally based on a weighting of income and market approaches. For purposes of the income approach, fair values are determined based upon the present value of the reporting unit's estimated future cash flows, including an estimate of the reporting unit's terminal value based upon these cash flows, discounted at appropriate risk-adjusted rates. We use our internal forecasts to estimate future cash flows which may include estimates of long-term future growth rates based upon our most recent reviews of the long-term outlook for each reporting unit. Cash flow estimates used to establish fair values under our income approach involve management judgments based on a broad range of information and historical results. In addition, external economic and competitive conditions can influence future performance. For purposes of the market approach, we use valuation multiples for companies comparable to our reporting units. The market approach requires judgment to determine the appropriate valuation multiples. We are required to recognize an impairment charge under GAAP if the carrying amount of a reporting unit exceeds its fair value and the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill. As of September 30, 2014, our goodwill totaled \$2,833.4 million. We did not record any impairments of goodwill in Fiscal 2014, Fiscal 2013 or Fiscal 2012.

Pension Plan Assumptions. Pension plan assumptions are significant inputs to the actuarial models that measure pension benefit obligations and pension expense. The cost of providing benefits under the U.S. Pension Plan is dependent on historical information such as employee age, length of service, level of compensation and the actual rate of return on plan assets. In addition, certain assumptions relating to the future are used to determine pension expense including the discount rate applied to benefit obligations, the expected rate of return on plan assets and the rate of compensation increase, among others. Assets of the U.S. Pension Plan are held in trust and consist principally of equity and fixed income mutual funds and common stock. Changes in plan assumptions as well as fluctuations in actual equity or fixed income market returns could have a material impact on future pension costs. We believe the two most critical assumptions are (1) the expected rate of return on plan assets and (2) the discount rate. A decrease in the expected rate of return on U.S. Pension Plan assets of 50 basis points to a rate of 7.25% would result in an increase in pre-tax pension cost of approximately \$2.0 million in Fiscal 2015. A decrease in the discount rate of 50 basis points to a rate of 4.10% would result in an increase in pre-tax pension cost of approximately \$3.3 million in Fiscal 2015.

Income Taxes. We use the asset and liability method of accounting for income taxes. Under this method, income tax expense is recognized for the amount of taxes payable or refundable for the current year and for deferred tax liabilities and assets for the future tax consequences of events that have been recognized in our financial statements or tax returns. Positions taken by an entity in its tax returns must satisfy a more-likely-than-not recognition threshold assuming the positions will be examined by tax authorities with full knowledge of relevant information. We use assumptions, judgments and estimates to determine our current provision for income taxes. We also use assumptions, judgments and estimates to determine our deferred tax assets and liabilities and any valuation allowance to be recorded against a deferred tax asset. Our assumptions, judgments and estimates relative to the current provision for income tax give consideration to current tax laws, our interpretation of current tax laws and possible outcomes of current and future audits conducted by foreign and domestic tax authorities. Changes in tax law or our interpretation thereof and the resolution of current and future tax audits could significantly impact the amounts provided for income taxes in our consolidated financial statements. Our assumptions, judgments and estimates relative to the amount of deferred income taxes take into account estimates of the amount of future taxable income. Actual taxable income or future estimates of taxable income could render our current assumptions, judgments and estimates inaccurate. Changes in the assumptions, judgments and estimates mentioned above could cause our actual income tax obligations to differ significantly from our estimates. As of September 30, 2014, our net deferred tax liabilities totaled \$1,008.5 million.

Recently Issued Accounting Pronouncements

See Note 3 to the Consolidated Financial Statements for a discussion of the effects of recently issued accounting guidance.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

“Quantitative and Qualitative Disclosures About Market Risk” are contained in Item 7 - Management’s Discussion and Analysis of Financial Condition and Results of Operations under the caption “Market Risk Disclosures” and are incorporated by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Management’s Annual Report on Internal Control Over Financial Reporting and the financial statements and financial statement schedules referred to in the Index contained on page F-2 of this Report are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

- (a) The Company's disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by the Company in reports filed or submitted 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 required disclosure. 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 September 30, 2014, were effective at the reasonable assurance level.
- (b) For “Management’s Annual Report on Internal Control over Financial Reporting” see Item 8 of this Report (which information is incorporated herein by reference).
- (c) During the most recent fiscal quarter, no change in the Company’s internal control over financial reporting occurred that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III:
ITEMS 10 THROUGH 14.

In accordance with General Instruction G(3), and except as set forth below, the information required by Items 10, 11, 12, 13 and 14 is incorporated in this Report by reference to the following portions of UGI's Proxy Statement, which will be filed with the SEC by December 31, 2014.

	Information	Captions of Proxy Statement Incorporated by Reference
Item 10.	<p>Directors, Executive Officers and Corporate Governance</p> <p>The Code of Ethics for the Chief Executive Officer and Senior Financial Officers of UGI Corporation is available without charge on the Company's website, www.ugicorp.com, or by writing to Daniel J. Platt, Treasurer, UGI Corporation, P. O. Box 858, Valley Forge, PA 19482.</p>	<p>Election of Directors - Nominees; Corporate Governance; Director Independence; Board and Committee Structure; Communications with the Board; Securities Ownership of Management - Section 16(a) - Beneficial Ownership Reporting Compliance; Report of the Audit Committee of the Board of Directors</p>
Item 11.	Executive Compensation	<p>Compensation of Directors; Report of the Compensation and Management Development Committee of the Board of Directors; Compensation Discussion and Analysis; Compensation of Executive Officers; Compensation Committee Interlocks and Insider Participation</p>
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	<p>Securities Ownership of Certain Beneficial Owners; Securities Ownership of Management</p>
Item 13.	Certain Relationships and Related Transactions, and Director Independence	<p>Election of Directors - Director Independence and Board and Committee Structure; Policy for Approval of Related Person Transactions</p>
Item 14.	Principal Accounting Fees and Services	<p>Our Independent Registered Public Accounting Firm</p>

Equity Compensation Table

The following table sets forth information as of the end of Fiscal 2014 with respect to compensation plans under which our equity securities are authorized for issuance.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	8,957,290 (1)	\$ 21.44	17,672,170 (2)
	1,306,181 (3)	\$ 0	
Equity compensation plans not approved by security holders	0		
Total	10,263,471	\$ 21.44 (4)	

(1) Represents 8,957,290 stock options under the UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006 and the UGI Corporation 2013 Omnibus Incentive Compensation Plan.

(2) Represents 172,646 securities remaining for future issuance of stock options from the 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006 and 17,499,524 of securities for issuance from the UGI Corporation 2013 Omnibus Incentive Compensation Plan. The UGI Corporation 2013 Omnibus Incentive Compensation Plan was approved by shareholders on January 24, 2013.

(3) Represents 1,306,181 phantom share units under the UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006 and the UGI Corporation 2013 Omnibus Incentive Compensation Plan.

(4) Weighted-average exercise price of outstanding options; excludes phantom share units.

The information concerning the Company's executive officers required by Item 10 is set forth below.

EXECUTIVE OFFICERS

Name	Age	Position
John L. Walsh	59	President and Chief Executive Officer
Kirk R. Oliver	56	Chief Financial Officer
Davinder S. Athwal	47	Vice President - Accounting and Financial Control and Chief Risk Officer
Jerry E. Sheridan	49	President and Chief Executive Officer, AmeriGas Propane, Inc.
Robert F. Beard	49	President and Chief Executive Officer, UGI Utilities, Inc.
Monica M. Gaudiosi	52	Vice President, General Counsel and Secretary
Bradley C. Hall	61	Vice President - New Business Development

All officers are elected for a one-year term at the organizational meetings of the respective Boards of Directors held each year.

There are no family relationships between any of the officers or between any of the officers and any of the directors.

John L. Walsh

Mr. Walsh is a Director and President (since 2005) and Chief Executive Officer (since 2013) of UGI Corporation. In addition, Mr. Walsh serves as a Director and Vice Chairman of AmeriGas Propane, Inc. (since 2005) and UGI Utilities, Inc. (since 2005), both of which are subsidiaries of UGI Corporation. Previously, he also served as Chief Operating Officer of UGI Corporation (2005 to 2013) and as President and Chief Executive Officer of UGI Utilities, Inc. (2009 to 2011). Mr. Walsh was the Chief Executive of the Industrial and Special Products Division of the BOC Group plc, an industrial gases company, a position he assumed in 2001. He was also an Executive Director of BOC (2001 to 2005). He joined BOC in 1986 as Vice President - Special Gases and held various senior management positions in BOC, including President of Process Gas Solutions, North America (2000 to 2001) and President of BOC Process Plants (1996 to 2000).

Kirk R. Oliver

Mr. Oliver is Chief Financial Officer of UGI (since October 2012). From December 2011 until September 2012, Mr. Oliver served as Senior Managing Director & Chief Operating Officer of InfraREIT Capital Partners, LLC, a partnership that invests in infrastructure assets, primarily electric transmission and gas pipeline assets. Prior to joining InfraREIT Capital, Mr. Oliver served as Senior Vice President and Chief Financial Officer of Allegheny Energy, Inc., an electric utility company, from 2008 to 2011, and as a Senior Executive at Hunt Power, LLC, a company that develops and invests in electric and gas utility projects, from 2007 to 2008. Mr. Oliver served in various positions at TXU Corp. (now Energy Future Holdings Corp.), an electricity distribution, generation and transmission company in Texas, from 1998 to 2006, including as Executive Vice President and Chief Financial Officer from 2004 to 2006, Senior Vice President, Finance from 2000 to 2003 and Vice President, Treasurer and Assistant Secretary from 1998 to 1999. Prior to joining TXU Corp., Mr. Oliver spent eleven years as an investment banker in the Global Power and Energy Group at Lehman Brothers and six years at Motorola Inc.

Davinder S. Athwal

Mr. Athwal is Vice President - Accounting and Financial Control and Chief Risk Officer (since January 2009). He previously served as the Global Mergers & Acquisitions Controller of Nortel Networks, Inc., a global supplier of telecommunications equipment and solutions from 2007 through 2008. Mr. Athwal served as Director, Global Revenue Governance for Nortel Networks, Inc. from 2006 through 2007. Mr. Athwal previously served in both accounting and risk management roles for IBM Corporation, a globally integrated innovation and technology company (2003 to 2006).

Jerry E. Sheridan

Mr. Sheridan is President, Chief Executive Officer and a Director of AmeriGas Propane, Inc. (since March 2012). Previously, he served as Vice President - Operations and Chief Operating Officer (2011 to 2012) and as Vice President - Finance and Chief Financial Officer (2005 to 2011) of AmeriGas Propane, Inc. Mr. Sheridan served as President and Chief Executive Officer (2003 to 2005) of Potters Industries, Inc., a global manufacturer of engineered glass materials and a wholly-owned subsidiary of PQ Corporation, a global producer of inorganic specialty chemicals. In addition, Mr. Sheridan served as Executive Vice President (2003 to 2005) and as Vice President and Chief Financial Officer (1999 to 2003) of PQ Corporation. Mr. Sheridan also serves on the Management Board of CP Kelco (since 2013), a privately held company that provides innovative products and solutions through the use of nature-based chemistry.

Robert F. Beard

Mr. Beard is President and Chief Executive Officer of UGI Utilities, Inc. (since September 2011). He previously served as Vice President - Marketing, Rates and Gas Supply (2010 to 2011) and Vice President - Southern Region (2008 to 2010) of UGI Utilities, Inc. From 2006 until 2008, Mr. Beard served as Vice President - Operations and Engineering of PPL Gas Utilities Corporation and, from 2002 until 2006, he served as Director - Operations and Engineering of PPL Gas Utilities Corporation.

Monica M. Gaudiosi

Ms. Gaudiosi is Vice President, General Counsel and Secretary (since April 2012). She also serves as Vice President and Secretary of AmeriGas Propane, Inc. and UGI Utilities, Inc. (since April 2012). Prior to joining UGI, Ms. Gaudiosi served as Senior Vice President and General Counsel (2007 to 2012) and Senior Vice President and Associate General Counsel (2005 to 2007) of Southern Union Company. Prior to joining Southern Union Company in 2005, Ms. Gaudiosi held various positions with General Electric Capital Corporation (1997 to 2005). Before joining General Electric Capital Corporation, Ms. Gaudiosi was an associate at the law firms of Hunton & Williams (1994 to 1997) and Sutherland, Asbill & Brennan (1988 to 1994).

Bradley C. Hall

Mr. Hall is Vice President - New Business Development (since October 1994). He also serves as President of UGI Enterprises, Inc. (since 1994) and UGI Energy Services, LLC (formerly known as UGI Energy Services, Inc.) (since 1995). He joined the Company in 1982 and held various positions in UGI Utilities, Inc., including Vice President - Marketing and Rates.

PART IV:**ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES****(a) Documents filed as part of this report:****(1) Financial Statements:**

Included under Item 8 are the following financial statements and supplementary data:

Management's Annual Report on Internal Control over Financial Reporting

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of September 30, 2014 and 2013

Consolidated Statements of Income for the years ended September 30, 2014, 2013 and 2012

Consolidated Statements of Comprehensive Income for the years ended September 30, 2014, 2013 and 2012

Consolidated Statements of Cash Flows for the years ended September 30, 2014, 2013 and 2012

Consolidated Statements of Changes in Equity for the years ended September 30, 2014, 2013 and 2012

Notes to Consolidated Financial Statements

(2) Financial Statement Schedules:

I — Condensed Financial Information of Registrant (Parent Company)

II — Valuation and Qualifying Accounts for the years ended September 30, 2014, 2013 and 2012

We have omitted all other financial statement schedules because the required information is (1) not present; (2) not present in amounts sufficient to require submission of the schedule; or (3) included elsewhere in the financial statements or related notes.

(3) List of 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):

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
2.1	Contribution and Redemption Agreement, dated October 15, 2011, by and among AmeriGas Partners, L.P., Energy Transfer Partners, L.P., Energy Transfer Partners GP, L.P. and Heritage ETC, L.P	AmeriGas Partners, L.P.	Form 8-K (10/15/11)	2.1

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
2.2	Amendment No. 1, dated as of December 1, 2011, to the Contribution and Redemption Agreement, dated as of October 15, 2011, by and among Energy Transfer Partners, L.P., Energy Transfer Partners GP, L.P., Heritage ETC, L.P. and AmeriGas Partners, L.P.	AmeriGas Partners, L.P.	Form 8-K (12/1/11)	2.1
2.3	Amendment No. 2, dated as of January 11, 2012, to the Contribution and Redemption Agreement, dated as of October 15, 2012, by and among Energy Transfer Partners, L.P., Energy Transfer Partners GP, L.P., Heritage ETC, L.P. and AmeriGas Partners, L.P.	AmeriGas Partners, L.P.	Form 8-K (1/11/12)	2.1
2.4	Letter Agreement, dated as of January 11, 2012, by and among Energy Transfer Partners, L.P., Energy Transfer Partners GP, L.P., Heritage ETC, L.P. and AmeriGas Partners, L.P.	AmeriGas Partners, L.P.	Form 8-K (1/11/12)	2.1
2.5	Amendment to Contribution and Redemption Agreement, dated as of October 15, 2011, by an among Energy Transfer Partners, L.P., Energy Transfer Partners GP, L.P., Heritage ETC, L.P. and AmeriGas Partners, L.P., dated as of March 20, 2013.	AmeriGas Partners, L.P.	Form 10-Q (3/31/13)	2.1
3.1	(Second) Amended and Restated Articles of Incorporation of the Company as amended through June 6, 2005.	UGI	Form 10-Q (6/30/05)	3.1
3.2	Articles of Amendment to the Amended and Restated Articles of Incorporation of UGI Corporation.	UGI	Form 8-K (7/29/14)	3.1
3.3	Amended and Restated Bylaws of UGI Corporation.	UGI	Form 8-K (7/30/13)	3.1
4.1	Instruments defining the rights of security holders, including indentures. (The Company agrees to furnish to the Commission upon request a copy of any instrument defining the rights of holders of long-term debt not required to be filed pursuant to Item 601(b)(4) of Regulation S-K).			

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
4.2	The description of the Company's Common Stock contained in the Company's registration statement filed under the Securities Exchange Act of 1934, as amended.	UGI	Form 8-B/A (4/17/96)	3.(4)
4.3	UGI's (Second) Amended and Restated Articles of Incorporation and Bylaws referred to in 3.1 and 3.2 above.			
4.4	Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P. dated as of July 27, 2009.	AmeriGas Partners, L.P.	Form 10-Q (6/30/09)	3.1
4.5	Amendment No. 1 to Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P. dated as of March 13, 2012.	AmeriGas Partners, L.P.	Form 8-K (3/14/12)	3.1
4.6	Indenture, dated as of January 20, 2011, by and among AmeriGas Partners, L.P., AmeriGas Finance Corp. and U.S. Bank National Association, as trustee.	AmeriGas Partners, L.P.	Form 10-Q (12/31/10)	4.1
4.7	First Supplemental Indenture, dated as of January 20, 2011, to Indenture dated as of January 20, 2011, by and among AmeriGas Partners, L.P., AmeriGas Finance Corp. and U.S. Bank National Association, as trustee.	AmeriGas Partners, L.P.	Form 8-K (1/19/11)	4.1
4.8	Second Supplemental Indenture, dated as of August 10, 2011, to Indenture dated as of January 20, 2011, by and among AmeriGas Partners, L.P., AmeriGas Finance Corp. and U.S. Bank National Association, as trustee.	AmeriGas Partners, L.P.	Form 8-K (8/10/11)	4.1
4.9	Indenture, dated as of August 1, 1993, by and between UGI Utilities, Inc., as Issuer, and U.S. Bank National Association, as successor trustee, incorporated by reference to the Registration Statement on Form S-3 filed on April 8, 1994.	Utilities	Registration Statement No. 33-77514 (4/8/94)	4(c)

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
4.10	Supplemental Indenture, dated as of September 15, 2006, by and between UGI Utilities, Inc., as Issuer, and U.S. Bank National Association, successor trustee to Wachovia Bank, National Association.	Utilities	Form 8-K (9/12/06)	4.2
4.11	Indenture, dated as of January 12, 2012, among AmeriGas Finance Corp., AmeriGas Finance LLC, AmeriGas Partners, L.P., as guarantor, and U.S. Bank National Association, as trustee.	AmeriGas Partners, L.P.	Form 8-K (1/12/12)	4.1
4.12	First Supplemental Indenture, dated as of January 12, 2012, among AmeriGas Finance Corp., AmeriGas Finance LLC, AmeriGas Partners, L.P., as guarantor, and U.S. Bank National Association, as trustee.	AmeriGas Partners, L.P.	Form 8-K (1/12/12)	4.2
4.13	Form of Fixed Rate Medium-Term Note.	Utilities	Form 8-K (8/26/94)	4(i)
4.14	Form of Fixed Rate Series B Medium-Term Note.	Utilities	Form 8-K (8/1/96)	4(i)
4.15	Form of Floating Rate Series B Medium-Term Note.	Utilities	Form 8-K (8/1/96)	4(ii)
4.16	Officer's Certificate establishing Medium-Term Notes Series.	Utilities	Form 8-K (8/26/94)	4(iv)
4.17	Form of Officer's Certificate establishing Series B Medium-Term Notes under the Indenture.	Utilities	Form 8-K (8/1/96)	4(iv)
4.18	Form of Officers' Certificate establishing Series C Medium-Term Notes under the Indenture.	Utilities	Form 8-K (5/21/02)	4.2
4.19	Forms of Floating Rate and Fixed Rate Series C Medium-Term Notes.	Utilities	Form 8-K (5/21/02)	4.1
4.20	Form of Note Purchase Agreement dated October 30, 2013 between the Company and the purchasers listed as signatories thereto.	Utilities	Form 8-K (10/30/13)	4.1
10.1**	UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006.	UGI	Form 8-K (2/27/07)	10.1

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
10.2**	UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006 - Terms and Conditions as amended and restated effective November, 2012.	UGI	Form 10-K (9/30/13)	10.2
10.3**	UGI Corporation 2013 Omnibus Incentive Compensation Plan, effective as of January 24, 2013.	UGI	Registration Statement No. 333-186178 (1/24/13)	99.1
10.4**	UGI Corporation Senior Executive Employee Severance Plan, as amended and restated as of November 16, 2012.	UGI	Form 10-Q (6/30/13)	10.1
10.5**	UGI Corporation Executive Employee Severance Plan, as amended and restated as of November 16, 2012.	UGI	Form 10-Q (6/30/13)	10.2
10.6**	UGI Corporation Executive Annual Bonus Plan effective as of October 1, 2006, as amended November 16, 2012.	UGI	Form 10-Q (3/31/13)	10.14
10.7**	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. effective July 30, 2010.	AmeriGas Partners, L.P.	Form 8-K (7/30/10)	10.2
10.8**	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. effective July 30, 2010 - Terms and Conditions.	AmeriGas Partners, L.P.	Form 10-K (9/30/10)	10.10
10.9**	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., Performance Unit Grant Letter (Alerian) for Employees, dated January 1, 2014.	AmeriGas Partners, L.P.	Form 10-Q (3/31/14)	10.1
10.10**	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., Performance Unit Grant Letter (Propane) for Employees, dated January 1, 2014.	AmeriGas Partners, L.P.	Form 10-Q (3/31/14)	10.2
10.11**	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., Phantom Unit Grant Letter for Directors, dated January 8, 2014.	AmeriGas Partners, L.P.	Form 10-Q (3/31/14)	10.3

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
10.12**	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., Phantom Unit Grant Letter, dated January 16, 2014.	AmeriGas Partners, L.P.	Form 10-Q (3/31/14)	10.6
10.13**	AmeriGas Propane, Inc. Non-Qualified Deferred Compensation Plan, as Amended and Restated effective November 22, 2013.	AmeriGas Partners, L.P.	Form 10-Q (3/31/14)	10.4
10.14**	AmeriGas Propane, Inc. Senior Executive Employee Severance Plan, as amended and restated as of November 15, 2012.	AmeriGas Partners, L.P.	Form 10-Q (6/30/13)	10.1
10.15**	AmeriGas Propane, Inc. Executive Employee Severance Plan, as amended and restated as of November 15, 2012.	AmeriGas Partners, L.P.	Form 10-Q (6/30/13)	10.2
10.16**	AmeriGas Propane, Inc. Supplemental Executive Retirement Plan, as Amended and Restated effective November 22, 2013.	AmeriGas Partners, L.P.	Form 10-Q (3/31/14)	10.5
10.17**	AmeriGas Propane, Inc. Executive Annual Bonus Plan, effective as of October 1, 2006, as amended November 15, 2012.	AmeriGas Partners, L.P.	Form 10-Q (3/31/13)	10.9
10.18**	UGI Utilities, Inc. Senior Executive Employee Severance Plan, as amended and restated as of November 16, 2012.	Utilities	Form 10-Q (6/30/13)	10.1
10.19**	UGI Utilities, Inc. Executive Annual Bonus Plan, effective as of October 1, 2006, as amended as of November 16, 2012.	Utilities	Form 10-Q (3/31/13)	10.2
10.20**	UGI Corporation 2013 Omnibus Incentive Compensation Plan, Performance Unit Grant Letter for UGI Employees, dated January 1, 2014.	UGI	Form 10-Q (3/31/14)	10.7
10.21**	UGI Corporation 2013 Omnibus Incentive Compensation Plan Stock Unit Grant Letter for Non Employee Directors, dated January 8, 2014.	UGI	Form 10-Q (3/31/14)	10.8

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
10.22**	UGI Corporation 2004 Omnibus Equity Compensation Plan Nonqualified Stock Option Grant Letter for Non Employee Directors, dated January 8, 2014.	UGI	Form 10-Q (3/31/14)	10.6
10.23**	UGI Corporation 2013 Omnibus Incentive Compensation Plan Nonqualified Stock Option Grant Letter for UGI Employees, dated January 1, 2014.	UGI	Form 10-Q (3/31/14)	10.9
10.24**	UGI Corporation 2013 Omnibus Incentive Compensation Plan Nonqualified Stock Option Grant Letter for AmeriGas Employees, dated January 1, 2014.	UGI	Form 10-Q (3/31/14)	10.10
10.25**	UGI Corporation 2013 Omnibus Incentive Compensation Plan Nonqualified Stock Option Grant Letter for UGI Utilities Employees, dated January 1, 2014.	UGI	Form 10-Q (3/31/14)	10.11
10.26**	UGI Corporation 2013 Omnibus Incentive Compensation Plan Performance Unit Grant Letter for UGI Utilities Employees, dated January 1, 2014.	UGI	Form 10-Q (3/31/14)	10.12
10.27**	UGI Corporation 2009 Deferral Plan, as Amended and Restated effective January 24, 2014.	UGI	Form 10-Q (3/31/14)	10.5
*10.28**	Description of oral compensation arrangements for Messrs. Walsh, Hall, and Oliver and Ms. Gaudiosi.			
10.29**	Description of oral compensation arrangement for Mr. Sheridan.	AmeriGas Partners, L.P.	Form 10-K (9/30/14)	10.33
*10.30**	Summary of Director Compensation as of October 1, 2014.			
10.31**	Form of Change in Control Agreement Amended and Restated as of May 12, 2008 for Mr. Walsh.	UGI	Form 10-Q (6/30/08)	10.3
10.32**	Change in Control Agreement for Monica M. Gaudiosi dated as of April 23, 2012.	UGI	Form 10-Q (6/30/12)	10.1

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
10.33**	Change in Control Agreement for Kirk R. Oliver dated as of October 1, 2012.	UGI	Form 10-Q (12/31/12)	10.1
10.34**	Change in Control Agreement for Mr. Sheridan Amended and Restated as of March 3, 2012.	AmeriGas Partners, L.P.	Form 10-Q (3/31/12)	10.6
10.35**	UGI Corporation Supplemental Executive Retirement Plan and Supplemental Savings Plan, as Amended and Restated effective November 22, 2013.	UGI	Form 10-Q (3/31/14)	10.3
10.36**	UGI Corporation 2009 Supplemental Executive Retirement Plan for New Employees, as Amended and Restated effective November 22, 2013.	UGI	Form 10-Q (3/31/14)	10.4
10.37**	Trademark License Agreement dated April 19, 1995 among UGI Corporation, AmeriGas, Inc., AmeriGas Propane, Inc., AmeriGas Partners, L.P. and AmeriGas Propane, L.P.	UGI	Form 10-K (9/30/10)	10.37
10.38**	Trademark License Agreement, dated April 19, 1995 among AmeriGas Propane, Inc., AmeriGas Partners, L.P. and AmeriGas Propane, L.P.	AmeriGas Partners, L.P.	Form 10-Q (12/31/10)	10.1
10.39	Credit Agreement dated as of June 21, 2011, as amended through and including Amendment No. 4 thereto dated April 18, 2012, by and among AmeriGas Propane, L.P., as Borrower, AmeriGas Propane, Inc., as a Guarantor, Wells Fargo Bank, National Association, as Administrative Agent, Swingline Lender and Issuing Lender (“Agent”), Wells Fargo Securities, LLC, as Sole Lead Arranger and Sole Book Manager and the financial institutions from time to time party thereto.	AmeriGas Partners, L.P.	Form 10-K (9/30/12)	10.39

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
10.40	Release of Liens and Termination of Security Documents dated as of November 6, 2006 by and among AmeriGas Propane, Inc., Petrolane Incorporated, AmeriGas Propane, L.P., AmeriGas Propane Parts & Service, Inc. and Wachovia Bank, National Association, as Collateral Agent for the Secured Creditors, pursuant to the Intercreditor and Agency Agreement dated as of April 19, 1995.	AmeriGas Partners, L.P.	Form 10-K (9/30/06)	10.3
10.41	Receivables Purchase Agreement, dated as of November 30, 2001, as amended through and including Amendment No. 8 thereto dated April 22, 2010 and Amendment No. 9 thereto dated August 26, 2010, by and among UGI Energy Services, Inc., as servicer, Energy Services Funding Corporation, as seller, Market Street Funding, LLC, as issuer, and PNC Bank, National Association, as administrator.	UGI	Form 10-K (9/30/11)	10.47
10.42	Amendment No. 10, dated as of April 21, 2011 to Receivables Purchase Agreement, dated as of November 30, 2001(as amended, supplemented or modified from time to time), by and among UGI Energy Services, Inc. as servicer, Energy Services Funding Corporation, as seller, Market Street Funding LLC, as issuer, and PNC Bank, National Association, as administrator.	UGI	Form 8-K (4/21/11)	
10.43	Amendment No. 11, dated as of April 19, 2012, to Receivables Purchase Agreement, dated as of November 30, 2001 (as amended, supplemented or modified from time to time), by and among UGI Energy Services, Inc., as servicer, Energy Services Funding Corporation, as seller, Market Street Funding LLC, as issuer, and PNC Bank, National Association, as administrator.	UGI	Form 8-K (4/19/12)	10.1

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
10.44	Amendment No. 12, dated as of April 18, 2013, to Receivables Purchase Agreement, dated as of November 30, 2001 (as amended, supplemented, or modified from time to time), by and among UGI Energy Services, Inc., as servicer, Energy Services Funding Corporation, as seller, Market Street Funding LLC, as issuer, and PNC Bank, National Association, as administrator.	UGI	Form 8-K (4/18/13)	10.1
10.45	Credit Agreement, dated as of May 25, 2011 among UGI Utilities, Inc., as borrower, and PNC Bank, National Association, as administrative agent, Citizens Bank of Pennsylvania, as syndication agent, PNC Capital Markets LLC and RBS Citizens, N.A., as joint lead arrangers and joint bookrunners, and PNC Bank, National Association, Citizens Bank of Pennsylvania, Citibank, N.A., Credit Suisse AG, Cayman Islands Branch, JPMorgan Chase Bank, N.A., Wells Fargo Bank, National Association, The Bank of New York Mellon, and the other financial institutions from time to time parties thereto.	Utilities	Form 8-K (5/25/11)	10.1
10.46	Purchase and Sale Agreement, dated as of November 30, 2001, as amended through and including Amendment No. 3 thereto dated August 26, 2010, by and between UGI Energy Services, Inc. and Energy Services Funding Corporation.	UGI	Form 10-K (9/30/10)	10.47
10.47	Amended and Restated Credit Agreement, dated as of December 18, 2012, among UGI Energy Services, Inc., as borrower, and JPMorgan Chase Bank, N.A., as administrative agent, PNC Bank, National Association, as syndication agent, and Wells Fargo Bank, National Association, as documentation agent.	UGI	Form 8-K (12/18/12)	10.1

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
10.48	Amendment No. 1, dated as of March 15, 2013, to Amended and Restated Credit Agreement, dated as of December 18, 2012, among UGI Energy Services, Inc., as borrower, and JPMorgan Chase Bank, N.A., as administrative agent, PNC Bank, National Association, as syndication agent, and Wells Fargo Bank, National Association, as documentation agent.	UGI	Form 10-Q (3/31/13)	10.1
10.49	Senior Facilities Agreement dated March 16, 2011 by and among AGZ Holding, as Parent and Borrower, Antargaz, as Borrower, BNP Paribas, Caisse Régionale de Crédit Agricole Mutuel de Paris et d’Ile de France, Credit Lyonnais and Natixis, as Mandated Lead Arrangers and Bookrunners, Barclays Bank PLC, Banque Commerciale pour le Marché de l’Entreprise and ING Belgium SA, Succursale en France, as Mandated Lead Arrangers, Natixis, as Facility Agent and Security Agent, Banco Bilbao Vizcaya Argentaria, Crédit du Nord, HSBC France, Crédit Suisse International, Bred Banque Populaire and Banque Palatine, as Arrangers and the Financial Institutions named therein.	UGI	Form 10-Q (3/31/11)	10.1
10.50	Pledge of Financial Instruments Account relating to Financial Instruments held by AGZ Holding in Antargaz, dated March 16, 2011, by and among AGZ Holding, as Pledgor, Natixis, as Security Agent and Bank Account Holder, and the Lenders, as Beneficiaries.	UGI	Form 10-Q (3/31/11)	10.2
10.51	Pledge of Financial Instruments Account relating to Financial Instruments held by Antargaz in certain subsidiary companies, dated March 16, 2011, by and among Antargaz, as Pledgor, Natixis, as Security Agent and Bank Account Holder, and the Lenders, as Beneficiaries.	UGI	Form 10-Q (3/31/11)	10.3

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
10.52	Master Agreement for Assignment of Receivables dated March 16, 2011 between AGZ Holding, as Assignor, Natixis, as Security Agent, and the Beneficiaries.	UGI	Form 10-Q (3/31/11)	10.4
10.53	Master Agreement for Assignment of Receivables dated March 16, 2011 between Antargaz, as Assignor, Natixis, as Security Agent, and the Beneficiaries.	UGI	Form 10-Q (3/31/11)	10.5
10.54	First Demand Guarantee dated March 16, 2011 by UGI Corporation in favor of Natixis and the Lenders set forth in the Senior Facilities Agreement dated March 16, 2011.	UGI	Form 10-Q (3/31/11)	10.6
10.55	FSS Service Agreement No. 79028 effective as of December 1, 2014 by and between Columbia Gas Transmission, LLC and UGI Utilities, Inc.	Utilities	Form 10-K (9/30/14)	10.16
10.56	Firm Storage and Delivery Service Agreement (Rate GSS) dated July 1, 1996 between Transcontinental Gas Pipe Line Corporation and PG Energy.	Utilities	Form 8-K (8/24/06)	10.8
10.57	Service Agreement For Use Under Seller's GSS Rate Schedule dated July 9, 2012 between Transcontinental Gas Pipe Line Company, LLC and UGI Penn Natural Gas, Inc.	Utilities	Form 10-Q (6/30/12)	10.1
10.58	SST Service Agreement No. 79133 effective as of December 1, 2014 by and between Columbia Gas Transmission, LLC and UGI Utilities, Inc.	Utilities	Form 10-K (9/30/14)	10.19
10.59	Contingent Residential Support Agreement dated as of January 12, 2012, among Energy Transfer Partners, L.P., AmeriGas Finance LLC, AmeriGas Finance Corp., AmeriGas Partners, L.P., and for certain limited purposes only, UGI Corporation.	AmeriGas Partners, L.P.	Form 8-K (1/11/12)	10.1

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
10.60	Amendment to Contingent Residual Support Agreement dated as of January 12, 2012, among Energy Transfer Partners, L.P., AmeriGas Finance LLC, AmeriGas Finance Corp., AmeriGas Partners, L.P., and for certain limited purposes only, UGI Corporation, dated as of March 20, 2013.	AmeriGas Partners, L.P.	Form 10-Q (3/31/13)	10.1
10.61	Unitholder Agreement, dated as of January 12, 2012, by and among Heritage ETC, L.P., AmeriGas Partners, L.P., and, for limited purposes, Energy Transfer Partners, L.P., Energy Transfer Partners GP, L.P., and Energy Transfer Equity, L.P.	AmeriGas Partners, L.P.	Form 8-K (1/11/12)	10.2
10.62	Amendment No. 13, dated as of October 1, 2013, to Receivables Purchase Agreement, dated as of November 30, 2001 (as amended, supplemented, or modified from time to time), by and among UGI Energy Services, LLC, as servicer, Energy Services Funding Corporation, as seller, Market Street Funding LLC, as issuer, and PNC Bank, National Association, as administrator.	UGI	Form 10-K (9/30/13)	10.72
10.63	Amendment No. 4 dated as of October 1, 2013 to Purchase and Sale Agreement dated as of November 30, 2001 by and between UGI Energy Services, LLC and Energy Services Funding Corporation.	UGI	Form 10-K (9/30/13)	10.73
10.64	Amendment No. 14, dated as of October 1, 2013, to Receivables Purchase Agreement, dated as of November 30, 2001 (as amended, supplemented, or modified from time to time), by and among UGI Energy Services, LLC, as servicer, Energy Services Funding Corporation, as seller, Market Street Funding LLC, as issuer, and PNC Bank, National Association, as administrator.	UGI	Form 10-K (9/30/13)	10.74

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
10.65	Amendment No. 15, dated as of October 31, 2014, to Receivables Purchase Agreement, dated as of November 30, 2001 (as amended, supplemented, or modified from time to time), by and among UGI Energy Services, LLC, as servicer, Energy Services Funding Corporation, as seller, Market Street Funding LLC, as issuer, and PNC Bank, National Association, as administrator.	UGI	Form 8-K (10/31/14)	10.1
10.66	Term Loan Facility Agreement dated March 21, 2014 by and between UGI Europe, Inc., as borrower, UGI Corporation, as guarantor, and Wells Fargo Bank, National Association, London Branch, as creditor.	UGI	Form 10-Q (3/31/14)	10.1
10.67	Guaranty dated March 21, 2014 by and between UGI Corporation, as guarantor, and Wells Fargo Bank, National Association, London Branch, as creditor.	UGI	Form 10-Q (3/31/14)	10.2
10.68	Amended and Restated Credit Agreement dated as of June 18, 2014 by and among AmeriGas Propane, L.P., as Borrower, AmeriGas Propane, Inc., as Guarantor, Wells Fargo Securities, LLC, as Sole Lead Arranger and Sole Book Manager, and the other financial institutions from time to time party thereto.	AmeriGas	Form 8-K (6/18/14)	10.1
*10.69	Senior Secured Bridge Facility Agreement dated as of October 17, 2014 by and between UGI International Enterprises, Inc., as borrower, Credit Suisse AG, London Branch, Bank of America Merrill Lynch International Limited and Natixis, New York Branch, as mandated lead arrangers, and Credit Suisse AG, Cayman Island Branch, as agent and security agent.			
*10.70	Guarantee dated as of October 17, 2014 by and between UGI Corporation and Credit Suisse AG, Cayman Island Branch, as agent.			
14	Code of Ethics for principal executive, financial and accounting officers.	UGI	Form 10-K (9/30/03)	14

Incorporation by Reference

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
*21	Subsidiaries of the Registrant.			
*23	Consent of PricewaterhouseCoopers LLP.			
*31.1	Certification by the Chief Executive Officer relating to the Registrant's Report on Form 10-K for the fiscal year ended September 30, 2014 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-K for the fiscal year ended September 30, 2014 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-K for the fiscal year ended September 30, 2014, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			
*101.INS	XBRL Instance			
*101.SCH	XBRL Taxonomy Extension Schema			
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase			
*101.DEF	XBRL Taxonomy Extension Definition Linkbase			
*101.LAB	XBRL Taxonomy Extension Labels Linkbase			
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase			

* Filed herewith.

** As required by Item 15(a)(3), this exhibit is identified as a compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

Date: November 28, 2014

By: /s/ Kirk R. Oliver

Kirk R. Oliver
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below on November 28, 2014, by the following persons on behalf of the Registrant in the capacities indicated.

Signature	Title
<u>/s/ John L. Walsh</u> John L. Walsh	President and Chief Executive Officer (Principal Executive Officer) and Director
<u>/s/ Kirk R. Oliver</u> Kirk R. Oliver	Chief Financial Officer (Principal Financial Officer)
<u>/s/ Davinder S. Athwal</u> Davinder S. Athwal	Vice President — Accounting and Financial Control, Chief Risk Officer (Principal Accounting Officer)
<u>/s/ Lon R. Greenberg</u> Lon R. Greenberg	Chairman and Director
<u>/s/ Richard W. Gochnauer</u> Richard W. Gochnauer	Director
<u>/s/ Frank S. Hermance</u> Frank S. Hermance	Director
<u>/s/ Ernest E. Jones</u> Ernest E. Jones	Director
<u>/s/ Anne Pol</u> Anne Pol	Director
<u>/s/ M. Shawn Puccio</u> M. Shawn Puccio	Director
<u>/s/ Marvin O. Schlanger</u> Marvin O. Schlanger	Director
<u>/s/ Roger B. Vincent</u> Roger B. Vincent	Director

UGI CORPORATION AND SUBSIDIARIES
FINANCIAL INFORMATION
FOR INCLUSION IN ANNUAL REPORT ON FORM 10-K
YEAR ENDED SEPTEMBER 30, 2014

UGI CORPORATION
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We have omitted all other financial statement schedules because the required information is either (1) not present; (2) not present in amounts sufficient to require submission of the schedule; or (3) included elsewhere in the financial statements or related notes.

Reports of Management

Financial Statements

The Company's consolidated financial statements and other financial information contained in this Annual Report were prepared by management, which is responsible for their fairness, integrity and objectivity. The consolidated financial statements and related information were prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include amounts that are based on management's best judgments and estimates.

The Audit Committee of the Board of Directors is composed of three members, each of whom is independent and a non-employee director of the Company. The Committee is responsible for monitoring and overseeing the financial reporting process, the adequacy of internal accounting controls, the independence and performance of the Company's independent registered accounting firm and internal auditors. The Committee meets regularly, with and without management present, with the independent registered accounting firm and the internal auditors, both of which report directly to the Committee. In addition, the Committee provides regular reports to the Board of Directors.

Management's Annual Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company, as such term is defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended. In order to evaluate the effectiveness of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002, management has conducted an assessment, including testing, of the Company's internal control over financial reporting as of September 30, 2014, using the criteria in *Internal Control - Integrated Framework* (1992), issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO Framework").

Internal control over financial reporting refers to the process, designed under the supervision and with the participation of management, including our Chief Executive Officer and our Chief Financial Officer, and effected by the Company's Board of Directors, to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate due to changing conditions, or the degree of compliance with the policies or procedures may deteriorate.

Based on its assessment, management has concluded that the Company's internal control over financial reporting was effective as of September 30, 2014, based on the COSO Framework. PricewaterhouseCoopers LLP, our independent registered public accounting firm, has audited the effectiveness of the Company's internal control over financial reporting as of September 30, 2014, as stated in their report, which appears herein.

/s/ John L. Walsh
Chief Executive Officer

/s/ Kirk R. Oliver
Chief Financial Officer

/s/ Davinder S. Athwal
Chief Accounting Officer

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of UGI Corporation:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, of comprehensive income, of changes in equity and of cash flows present fairly, in all material respects, the financial position of UGI Corporation and its subsidiaries at September 30, 2014 and 2013, and the results of their operations and their cash flows for each of the three years in the period ended September 30, 2014 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the index appearing under Item 15 (a)(2) present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2014, based on criteria established in *Internal Control - Integrated Framework* (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements and financial statement schedules, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements, on the financial statement schedules, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Philadelphia, Pennsylvania
November 28, 2014

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

	September 30,	
	2014	2013
ASSETS		
Current assets		
Cash and cash equivalents	\$ 419.5	\$ 389.3
Restricted cash	16.6	8.3
Accounts receivable (less allowances for doubtful accounts of \$39.1 and \$39.5, respectively)	684.7	745.6
Accrued utility revenues	14.3	18.9
Inventories	423.0	365.5
Deferred income taxes	10.1	10.6
Utility regulatory assets	13.2	8.2
Derivative instruments	14.5	23.8
Prepaid expenses and other current assets	67.1	57.1
Total current assets	1,663.0	1,627.3
Property, plant and equipment		
Non-utility	4,608.2	4,612.7
Utilities	2,568.5	2,427.8
	7,176.7	7,040.5
Accumulated depreciation and amortization	(2,633.0)	(2,560.3)
Net property, plant, and equipment	4,543.7	4,480.2
Goodwill	2,833.4	2,873.7
Intangible assets, net	576.4	607.9
Utility regulatory assets	255.0	236.7
Derivative instruments	12.5	0.4
Other assets	209.0	182.6
Total assets	\$ 10,093.0	\$ 10,008.8
LIABILITIES AND EQUITY		
Current liabilities		
Current maturities of long-term debt	\$ 77.2	\$ 67.2
Short-term borrowings	210.8	227.9
Accounts payable	459.8	472.3
Employee compensation and benefits accrued	106.5	97.0
Deposits and advances	211.5	205.2
Derivative instruments	40.2	30.0
Accrued interest	57.9	60.6
Other current liabilities	267.0	264.7
Total current liabilities	1,430.9	1,424.9
Debt and other liabilities		
Long-term debt	3,433.6	3,542.2
Deferred income taxes	1,005.1	962.3
Deferred investment tax credits	3.9	4.3
Derivative instruments	16.6	25.4
Other noncurrent liabilities	539.7	501.8
Total liabilities	6,429.8	6,460.9
Commitments and contingencies (Note 16)		
Equity:		
UGI Corporation stockholders' equity:		
UGI Common Stock, without par value (authorized - 450,000,000 shares; issued - 173,770,641 and 173,675,691 shares, respectively)	1,215.6	1,208.1
Retained earnings	1,509.4	1,308.3
Accumulated other comprehensive (loss) income	(21.2)	8.4
Treasury stock, at cost	(44.7)	(32.3)
Total UGI Corporation stockholders' equity	2,659.1	2,492.5
Noncontrolling interests, principally in AmeriGas Partners	1,004.1	1,055.4
Total equity	3,663.2	3,547.9
Total liabilities and equity	\$ 10,093.0	\$ 10,008.8

UGI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Millions of dollars, except per share amounts)

	Year Ended September 30,		
	2014	2013	2012
Revenues			
Non-utility	\$ 7,191.9	\$ 6,255.7	\$ 5,638.8
Utility	1,085.4	939.0	882.5
	8,277.3	7,194.7	6,521.3
Costs and Expenses			
Cost of sales (excluding depreciation shown below):			
Non-utility	4,612.8	3,858.4	3,640.0
Utility	562.9	466.0	459.1
Operating and administrative expenses	1,752.6	1,692.0	1,591.1
Utility taxes other than income taxes	16.6	16.9	17.3
Depreciation	305.7	301.4	263.2
Amortization	57.2	61.7	51.8
Other income, net	(36.1)	(32.8)	(39.8)
	7,271.7	6,363.6	5,982.7
Operating income	1,005.6	831.1	538.6
Loss from equity investees	(0.1)	(0.4)	(0.3)
Loss on extinguishments of debt	—	—	(13.3)
Interest expense	(237.7)	(240.3)	(220.4)
Income before income taxes	767.8	590.4	304.6
Income taxes	(235.2)	(162.8)	(106.9)
Net income	532.6	427.6	197.7
(Deduct net income) add net loss attributable to noncontrolling interests, principally in AmeriGas Partners	(195.4)	(149.5)	12.5
Net income attributable to UGI Corporation	\$ 337.2	\$ 278.1	\$ 210.2
Earnings per common share attributable to UGI Corporation stockholders:			
Basic	\$ 1.95	\$ 1.63	\$ 1.24
Diluted	\$ 1.92	\$ 1.60	\$ 1.24
Average common shares outstanding (thousands):			
Basic	172,733	170,885	168,872
Diluted	175,231	173,282	170,148

See accompanying Notes to Consolidated Financial Statements.

UGI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Millions of dollars)

	Year Ended September 30,		
	2014	2013	2012
Net income	\$ 532.6	\$ 427.6	\$ 197.7
Net gains (losses) on derivative instruments (net of tax of \$(12.2), \$(7.2) and \$29.3, respectively)	54.0	14.4	(105.4)
Reclassifications of net (gains) losses on derivative instruments (net of tax of \$2.0, \$(10.3) and \$(14.6), respectively)	(45.2)	53.5	56.3
Foreign currency translation adjustments (net of tax of \$13.8, \$(6.6) and \$2.8, respectively)	(23.2)	28.8	(20.6)
Foreign currency (losses) gains on long-term intra-company transactions (net of tax of \$10.6, \$(0.8) and \$0.7, respectively)	(19.8)	3.2	(1.7)
Benefit plans (net of tax of \$2.6, \$(3.8) and \$6.0, respectively)	(5.2)	5.3	(11.5)
Reclassifications of benefit plans actuarial losses and prior service costs to net income (net of tax of \$(0.6), \$(0.8) and \$(0.5), respectively)	1.0	1.2	0.7
Other comprehensive (loss) income	(38.4)	106.4	(82.2)
Comprehensive income	494.2	534.0	115.5
(Deduct comprehensive income) add comprehensive loss attributable to noncontrolling interests, principally in AmeriGas Partners	(186.6)	(192.3)	38.6
Comprehensive income attributable to UGI Corporation	\$ 307.6	\$ 341.7	\$ 154.1

See accompanying Notes to Consolidated Financial Statements.

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

	Year Ended September 30,		
	2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 532.6	\$ 427.6	\$ 197.7
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	362.9	363.1	315.0
Deferred income taxes, net	66.7	48.7	90.2
Provision for uncollectible accounts	43.5	30.2	26.5
Unrealized losses (gains) on derivative instruments	18.6	(0.2)	(17.2)
Equity-based compensation expense	25.8	17.6	14.5
Loss on extinguishments of debt	—	—	13.3
Other, net	(38.2)	(41.4)	(11.0)
Net change in:			
Accounts receivable and accrued utility revenues	18.1	(110.8)	65.5
Inventories	(65.1)	4.6	89.2
Utility deferred fuel costs, net of changes in unsettled derivatives	(17.6)	9.3	(8.2)
Accounts payable	3.7	38.7	(78.7)
Other current assets	(1.2)	36.3	(12.5)
Other current liabilities	55.6	(22.2)	23.4
Net cash provided by operating activities	1,005.4	801.5	707.7
CASH FLOWS FROM INVESTING ACTIVITIES			
Expenditures for property, plant and equipment	(456.8)	(486.0)	(339.4)
Acquisitions of businesses, net of cash acquired	(37.1)	(78.9)	(1,580.5)
(Increase) decrease in restricted cash	(8.3)	(5.3)	14.2
Other, net	14.6	16.9	1.2
Net cash used by investing activities	(487.6)	(553.3)	(1,904.5)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends on UGI Common Stock	(136.1)	(125.8)	(119.1)
Distributions on AmeriGas Partners publicly held Common Units	(237.7)	(226.5)	(181.7)
Issuances of debt	174.5	227.1	1,550.2
Repayments of debt	(242.6)	(168.7)	(299.9)
Receivables Facility net (repayments) borrowings	(22.5)	30.0	(14.3)
Increase in credit agreement borrowings	5.8	32.3	41.7
Issuances of UGI Common Stock	10.9	36.4	23.2
Repurchases of UGI Common Stock	(39.8)	—	—
Issuances of AmeriGas Partners Common Units	—	—	276.6
Other	11.8	9.1	1.8
Net cash (used) provided by financing activities	(475.7)	(186.1)	1,278.5
Effect of exchange rate changes on cash	(11.9)	7.3	(0.3)
Cash and cash equivalents increase	\$ 30.2	\$ 69.4	\$ 81.4
CASH AND CASH EQUIVALENTS			
End of year	\$ 419.5	\$ 389.3	\$ 319.9
Beginning of year	389.3	319.9	238.5
Increase	\$ 30.2	\$ 69.4	\$ 81.4
SUPPLEMENTAL CASH FLOW INFORMATION			
Cash paid for:			
Interest	\$ 228.3	\$ 243.6	\$ 168.8
Income taxes	\$ 141.6	\$ 60.0	\$ 33.3

See accompanying Notes to Consolidated Financial Statements.

UGI CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Millions of dollars, except per share amounts)

	Year Ended September 30,		
	2014	2013	2012
Common stock, without par value			
Balance, beginning of year	\$ 1,208.1	\$ 1,157.7	\$ 937.4
Common stock issued:			
Employee and director plans (including (losses) gains on treasury stock transactions), net of tax withheld	(16.4)	29.7	13.6
Dividend reinvestment plan	—	1.4	2.2
Excess tax benefits realized on equity-based compensation	12.5	9.4	1.8
Equity-based compensation expense	11.4	9.9	8.3
Adjustments to reflect change in ownership of AmeriGas Partners, net of tax	—	—	194.4
Balance, end of year	\$ 1,215.6	\$ 1,208.1	\$ 1,157.7
Retained earnings			
Balance, beginning of year	\$ 1,308.3	\$ 1,156.0	\$ 1,064.9
Net income attributable to UGI Corporation	337.2	278.1	210.2
Cash dividends on common stock (\$0.791, \$0.737 and \$0.707 per share, respectively)	(136.1)	(125.8)	(119.1)
Balance, end of year	\$ 1,509.4	\$ 1,308.3	\$ 1,156.0
Accumulated other comprehensive income (loss)			
Balance, beginning of year	\$ 8.4	\$ (55.2)	\$ (1.0)
Net gains (losses) on derivative instruments, net of tax	21.6	9.8	(45.6)
Reclassification of net (gains) losses on derivative instruments, net of tax	(4.0)	15.3	22.6
Benefit plans, principally actuarial (losses) gains, net of tax	(5.2)	5.3	(11.5)
Reclassification of benefit plans actuarial losses and prior service costs, net of tax, to net income	1.0	1.2	0.7
Adjustments to reflect change in ownership of AmeriGas Partners, net of tax	—	—	1.9
Foreign currency (losses) gains on long-term intra-company transactions, net of tax	(19.8)	3.2	(1.7)
Foreign currency translation adjustments, net of tax	(23.2)	28.8	(20.6)
Balance, end of year	\$ (21.2)	\$ 8.4	\$ (55.2)
Treasury stock			
Balance, beginning of year	\$ (32.3)	\$ (28.7)	\$ (27.8)
Common stock issued:			
Employee and director plans	65.8	35.2	6.4
Dividend reinvestment plan	—	0.8	0.9
Repurchases of common stock	(39.8)	—	—
Reacquired common stock - employee and director plans	(38.4)	(39.6)	(8.2)
Balance, end of year	\$ (44.7)	\$ (32.3)	\$ (28.7)
Total UGI Corporation stockholders' equity	\$ 2,659.1	\$ 2,492.5	\$ 2,229.8
Noncontrolling interests			
Balance, beginning of year	\$ 1,055.4	\$ 1,085.6	\$ 213.0
Net income (loss) attributable to noncontrolling interests, principally in AmeriGas Partners	195.4	149.5	(12.5)
Net gains (losses) on derivative instruments	32.4	4.6	(59.8)
Reclassification of net (gains) losses on derivative instruments	(41.2)	38.2	33.7
Dividends and distributions	(238.0)	(226.7)	(182.1)
AmeriGas Partners Common Unit public offering	—	—	276.6
AmeriGas Partners Common Units issued for Heritage Acquisition	—	—	1,132.6
Adjustments to reflect change in ownership of AmeriGas Partners	—	—	(321.4)
Other	0.1	4.2	5.5
Balance, end of year	\$ 1,004.1	\$ 1,055.4	\$ 1,085.6
Total equity	\$ 3,663.2	\$ 3,547.9	\$ 3,315.4

See accompanying Notes to Consolidated Financial Statements.

UGI Corporation and Subsidiaries

Notes to Consolidated Financial Statements

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

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Note 1 — Nature of Operations

UGI Corporation (“UGI”) is a holding company that, through subsidiaries and affiliates, distributes, stores, transports and markets energy products and related services. In the United States, we (1) are the general partner and own limited partner interests in a retail propane marketing and distribution business; (2) own and operate natural gas and electric distribution utilities; (3) own all or a portion of electricity generation facilities; and (4) own and operate an energy marketing, midstream infrastructure, storage, natural gas gathering, natural gas production and energy services business. Internationally, we market and distribute propane and other liquefied petroleum gases (“LPG”) in Europe and China. We refer to UGI and its consolidated subsidiaries collectively as “the Company” or “we.”

We conduct a domestic propane marketing and distribution business through AmeriGas Partners, L.P. (“AmeriGas Partners”). AmeriGas Partners is a publicly traded limited partnership that conducts a national propane distribution business through its principal operating subsidiary AmeriGas Propane, L.P. (“AmeriGas OLP”) and, prior to its merger with AmeriGas OLP on July 1, 2013, AmeriGas OLP’s principal operating subsidiary Heritage Operating, L.P. (“HOLP”). In addition, from January 12, 2012, through the date of its merger with and into AmeriGas OLP in August 2012, we also conducted business through AmeriGas OLP’s operating subsidiary, Titan Propane LLC (“Titan LLC”). HOLP and Titan LLC (collectively, “Heritage Propane”) were acquired on January 12, 2012, from Energy Transfer Partners, L.P. (“ETP”) (see Note 4 for additional information about the acquisition of Heritage Propane). AmeriGas OLP along with HOLP and Titan LLC (prior to their mergers with and into AmeriGas OLP) are referred to herein as the “Operating Partnership.” AmeriGas Partners and AmeriGas 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. 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 September 30, 2014, the General Partner held a 1% general partner interest and 25.3% limited partner interest in AmeriGas Partners, and held an effective 27.1% ownership interest in AmeriGas OLP. Our limited partnership interest in AmeriGas Partners comprises 23,756,882 AmeriGas Partners Common Units (“Common Units”). The General Partner also holds incentive distribution rights that entitle it to receive distribution from AmeriGas Partners under certain circumstances (see Note 15). The remaining 73.7% interest in AmeriGas Partners comprises 69,110,322 Common Units held by the public.

Our wholly owned subsidiary, UGI Enterprises, Inc. (“Enterprises”), through subsidiaries, conducts (1) an LPG distribution business in France, Belgium, the Netherlands and Luxembourg (“Antargaz”); (2) an LPG distribution business in central, northern and

eastern Europe (“Flaga”); (3) an LPG distribution business in the United Kingdom (“AvantiGas”); and (4) an LPG distribution business in the Nantong region of China. We refer to our foreign LPG operations collectively as “UGI International.”

Enterprises, through UGI Energy Services, LLC (formerly known as UGI Energy Services, Inc. prior to its merger with and into UGI Energy Services, LLC effective October 1, 2013) and its subsidiaries conduct an energy marketing, midstream infrastructure, storage, natural gas gathering, natural gas production and energy services business primarily in the Mid-Atlantic and Northeast U.S. In addition, UGI Energy Services, LLC’s wholly owned subsidiary, UGI Development Company (“UGID”), owns all or a portion of electricity generation facilities principally located in Pennsylvania. These businesses are referred to herein collectively as “Midstream & Marketing.” UGI Energy Services, LLC and its predecessor company, UGI Energy Services, Inc. are referred to herein as “Energy Services.” Enterprises also conducts heating, ventilation, air-conditioning, refrigeration and electrical contracting businesses in the Mid-Atlantic region through first-tier subsidiaries.

Our natural gas distribution utility business (“Gas Utility”) is conducted through our wholly owned subsidiary, UGI Utilities, Inc. (“UGI Utilities”), and its subsidiaries UGI Penn Natural Gas, Inc. (“PNG”) and UGI Central Penn Gas, Inc. (“CPG”). UGI Utilities, PNG and CPG own and operate natural gas distribution utilities in eastern, northeastern and central Pennsylvania and in a portion of one Maryland county. UGI Utilities also owns and operates an electric distribution utility in northeastern Pennsylvania (“Electric Utility”). UGI Utilities’ natural gas distribution utility is referred to as “UGI Gas.” Gas Utility is subject to regulation by the Pennsylvania Public Utility Commission (“PUC”) and, with respect to a small service territory in one Maryland county, the Maryland Public Service Commission. Electric Utility is subject to regulation by the PUC. Gas Utility and Electric Utility are collectively referred to as “Utilities.”

Note 2 — Summary of Significant Accounting Policies

Basis of Presentation

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and costs. These estimates are based on management’s knowledge of current events, historical experience and various other assumptions that are believed to be reasonable under the circumstances. Accordingly, actual results may be different from these estimates and assumptions.

On July 29, 2014, UGI’s Board of Directors approved a three-for-two common stock split. The additional shares were distributed September 5, 2014, to shareholders of record on August 22, 2014. All references to shares and per share amounts have been retroactively adjusted to reflect the three-for-two stock split.

Certain prior-year amounts have been reclassified to conform to the current-year presentation.

Principles of Consolidation

The consolidated financial statements include the accounts of UGI and its controlled subsidiary companies which, except for the Partnership, are majority owned. We report the public’s interests in the Partnership, and outside ownership interests in other consolidated but less than 100%-owned subsidiaries, as noncontrolling interests. We eliminate all significant intercompany accounts and transactions when we consolidate. Entities in which we do not have control but have significant influence over operating and financial policies are accounted for by the equity method. Undistributed net earnings of our equity investees included in consolidated retained earnings were not material at September 30, 2014. Investments in business entities that are not publicly traded and in which we hold less than 20% of voting rights are accounted for using the cost method. Such investments are recorded in other assets and totaled \$77.8 and \$82.0 at September 30, 2014 and 2013, respectively (including \$17.4 and \$16.4, respectively, associated with our approximate 3.5% interest in a private equity partnership that invests in renewable energy companies). Undivided interests in natural gas production assets and an electricity generation facility are consolidated on a proportionate basis.

Effects of Regulation

UGI Utilities accounts for the financial effects of regulation in accordance with the Financial Accounting Standards Board’s (“FASB’s”) guidance in Accounting Standards Codification (“ASC”) Topic “Regulated Operations.” In accordance with this guidance, incurred costs and estimated future expenditures that would otherwise be charged to expense are capitalized and recorded as regulatory assets when it is probable that the incurred costs or estimated future expenditures will be recovered in rates in the

future. Similarly, we recognize regulatory liabilities when it is probable that regulators will require customer refunds through future rates or when revenue is collected from customers for expenditures that have not yet been incurred. Regulatory assets and liabilities are classified as current if, upon initial recognition, the entire amount related to that item will be recovered or refunded within a year of the balance sheet date. Generally, regulatory assets are amortized into expense and regulatory liabilities are amortized into income over the period authorized by the regulator. For additional information regarding the effects of rate regulation on our utility operations, see Note 9.

Fair Value Measurements

The Company applies fair value measurements on a recurring and, as otherwise required under GAAP, also on a nonrecurring basis. Fair value measurements performed on a recurring basis principally relate to derivative instruments and investments held in supplemental executive retirement plan grantor trusts.

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). A level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

We use the following fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 — Quoted prices (unadjusted) in active markets for identical assets and liabilities that we have the ability to access at the measurement date.
- Level 2 — Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived from observable market data by correlation or other means.
- Level 3 — Unobservable inputs for the asset or liability including situations where there is little, if any, market activity for the asset or liability.

Fair value is based upon assumptions that market participants would use when pricing an asset or liability, including assumptions about risk and risks inherent in valuation techniques and inputs to valuations. This includes not only the credit standing of counterparties and credit enhancements but also the impact of our own nonperformance risk on our liabilities. We evaluate the need for credit adjustments to our derivative instrument fair values. These credit adjustments were not material to the fair values of our derivative instruments.

Derivative Instruments

Derivative instruments are reported in the Consolidated Balance Sheets at their fair values, unless the derivative instruments qualify for the normal purchase and normal sale (“NPNS”) exemption under GAAP. The accounting for changes in fair value depends upon the purpose of the derivative instrument and whether it is designated and qualifies for hedge accounting.

Certain of our derivative instruments are designated and qualify as cash flow hedges or net investment hedges. For cash flow hedges, changes in the fair values of the derivative instruments are recorded in accumulated other comprehensive income (“AOCI”) or noncontrolling interests, to the extent effective at offsetting changes in the hedged item, until earnings are affected by the hedged item. We discontinue cash flow hedge accounting if the occurrence of the forecasted transaction is determined to be no longer probable. Gains and losses on net investment hedges which relate to our foreign operations are included in AOCI until such foreign net investment is sold or liquidated. Unrealized gains and losses on certain commodity derivative instruments used by Gas Utility and Electric Utility are included in regulatory assets or liabilities in accordance with FASB guidance regarding accounting for rate-regulated entities.

Substantially all of Midstream & Marketing’s commodity derivative instruments do not qualify for, or are not designated as, cash flow hedges. In addition, effective April 1, 2014, AmeriGas Propane determined that on a prospective basis it would not elect cash flow hedge accounting for its commodity derivative instruments. Changes in the fair values of these commodity derivative instruments are reflected in cost of sales or revenues, as appropriate, on the Consolidated Statements of Income.

From time to time, the Company may enter into foreign currency exchange transactions to economically hedge the local-currency purchase price of anticipated foreign business acquisitions. These transactions do not qualify for hedge accounting treatment and any changes in fair value are recorded in other income, net.

Cash flows from derivative instruments, other than net investment hedges, are included in cash flows from operating activities. Cash flows from net investment hedges are included in cash flows from investing activities.

For a more detailed description of the derivative instruments we use, our accounting for derivatives, our objectives for using them and other information, see Note 18.

Foreign Currency Translation

Balance sheets of international subsidiaries are translated into U.S. dollars using the exchange rate at the balance sheet date. Income statements and equity investee results are translated into U.S. dollars using an average exchange rate for each reporting period. Where the local currency is the functional currency, translation adjustments are recorded in other comprehensive income.

Revenue Recognition

Revenues from the sale of LPG are recognized principally upon delivery. Midstream & Marketing records revenues when energy products are delivered or services are provided to customers. Revenues from the sale of appliances and equipment are recognized at the later of sale or installation. Revenues from repair or maintenance services are recognized upon completion of services.

UGI Utilities' regulated revenues are recognized as natural gas and electricity are delivered and include estimated amounts for distribution service and commodities rendered but not billed at the end of each month. We reflect the impact of Gas Utility and Electric Utility rate increases or decreases at the time they become effective.

We present revenue-related taxes collected from customers and remitted to taxing authorities, principally sales and use taxes, on a net basis. Electric Utility gross receipts taxes are included in total revenues in accordance with regulatory practice.

LPG Delivery Expenses

Expenses associated with the delivery of LPG to customers of the Partnership and our UGI International operations (including vehicle expenses, expenses of delivery personnel, vehicle repair and maintenance and general liability expenses) are classified as operating and administrative expenses on the Consolidated Statements of Income. Depreciation expense associated with the Partnership and UGI International delivery vehicles is classified in depreciation on the Consolidated Statements of Income.

Income Taxes

AmeriGas Partners and the Operating Partnerships are not directly subject to federal income taxes. Instead, their taxable income or loss is allocated to the individual partners. We record income taxes on (1) our share of the Partnership's current taxable income or loss and (2) the differences between the book and tax basis of our investment in the Partnership. The Operating Partnership has subsidiaries which operate in corporate form and are directly subject to federal and state income taxes. Legislation in certain states allows for taxation of partnership income and the accompanying financial statements reflect state income taxes resulting from such legislation.

Gas Utility and Electric Utility record deferred income taxes in the Consolidated Statements of Income resulting from the use of accelerated tax depreciation methods based upon amounts recognized for ratemaking purposes. They also record a deferred income tax liability for tax benefits, principally the result of accelerated tax depreciation for state income tax purposes, that are flowed through to ratepayers when temporary differences originate and record a regulatory income tax asset for the probable increase in future revenues that will result when the temporary differences reverse.

We are amortizing deferred investment tax credits related to UGI Utilities' plant additions over the service lives of the related property. UGI Utilities reduces its deferred income tax liability for the future tax benefits that will occur when investment tax credits, which are not taxable, are amortized. We also reduce the regulatory income tax asset for the probable reduction in future revenues that will result when such deferred investment tax credits amortize. Investment tax credits associated with Midstream & Marketing's qualifying solar energy property under the Emergency Economic Stabilization Act of 2008 are reflected in income taxes for assets placed in service after Fiscal 2011 and are amortized over the estimated useful life of the property for assets placed in service prior to Fiscal 2012.

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements

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

We record interest on tax deficiencies and income tax penalties in income taxes on the Consolidated Statements of Income. For Fiscal 2014, 2013 and 2012, interest (income) expense recognized in income taxes on the Consolidated Statements of Income was not material.

Earnings Per Common Share

Basic earnings per share attributable to UGI Corporation stockholders reflect the weighted-average number of common shares outstanding. Diluted earnings per share include the effects of dilutive stock options and common stock awards. In the following table, we present shares used in computing basic and diluted earnings per share for Fiscal 2014, Fiscal 2013 and Fiscal 2012:

(Thousands of shares)	2014	2013	2012
Average common shares outstanding for basic computation	172,733	170,885	168,872
Incremental shares issuable for stock options and common stock awards (a)	2,498	2,397	1,276
Average common shares outstanding for diluted computation	175,231	173,282	170,148

(a) For Fiscal 2014, Fiscal 2013 and Fiscal 2012, there were approximately 0 shares, 132 shares and 122 shares, respectively, associated with outstanding stock option awards that were not included in the computation of diluted earnings per share above because their effect was antidilutive.

Comprehensive Income

Comprehensive income comprises net income and other comprehensive income (loss). Other comprehensive income (loss) principally comprises (1) gains and losses on derivative instruments qualifying as cash flow hedges, net of reclassifications to net income; (2) actuarial gains and losses on postretirement benefit plans, net of associated amortization; and (3) foreign currency translation and intracompany transaction adjustments.

Changes in AOCI during Fiscal 2014 are as follows:

	Postretirement Benefit Plans	Derivative Instruments	Foreign Currency	Total
AOCI - September 30, 2013	\$ (16.4)	\$ (26.9)	\$ 51.7	\$ 8.4
Other comprehensive (loss) income before reclassification adjustments (after-tax)	(5.2)	54.0	(43.0)	5.8
Amounts reclassified from AOCI and noncontrolling interests:				
Reclassification adjustments (pre-tax)	1.6	(47.2)	—	(45.6)
Reclassification adjustments tax (expense) benefit	(0.6)	2.0	—	1.4
Reclassification adjustments (after-tax)	1.0	(45.2)	—	(44.2)
Other comprehensive (loss) income	(4.2)	8.8	(43.0)	(38.4)
Add comprehensive loss attributable to noncontrolling interests, principally in AmeriGas Partners	—	8.8	—	8.8
Other comprehensive (loss) income attributable to UGI	(4.2)	17.6	(43.0)	(29.6)
AOCI - September 30, 2014	\$ (20.6)	\$ (9.3)	\$ 8.7	\$ (21.2)

For additional information on amounts reclassified from AOCI relating to derivative instruments, see Note 18.

Cash and Cash Equivalents

All highly liquid investments with maturities of three months or less when purchased are classified as cash equivalents.

Restricted Cash

Restricted cash principally represents those cash balances in our commodity futures brokerage accounts that are restricted from withdrawal.

Inventories

Our inventories are stated at the lower of cost or market. We determine cost using an average cost method for natural gas, propane and other LPG; specific identification for appliances; and the first-in, first-out (“FIFO”) method for all other inventories.

Property, Plant and Equipment and Related Depreciation

We record property, plant and equipment at original cost. The amounts assigned to property, plant and equipment of acquired businesses are based upon estimated fair value at date of acquisition.

We record depreciation expense on non-utility plant and equipment on a straight-line basis over estimated economic useful lives ranging from 10 to 40 years for buildings and improvements; 6 to 40 years for storage and customer tanks and cylinders; 25 to 40 years for electricity generation facilities; 25 to 40 years for pipeline and related assets, and 3 to 12 years for vehicles, equipment and office furniture and fixtures. Costs to install Partnership and Antargaz-owned tanks, net of amounts billed to customers, are capitalized and amortized over the estimated period of benefit not exceeding 10 years.

We record depreciation expense for Utilities’ plant and equipment on a straight-line basis over the estimated average remaining lives of the various classes of its depreciable property. Depreciation expense as a percentage of the related average depreciable base for Gas Utility was 2.3% in Fiscal 2014, 2.3% in Fiscal 2013 and 2.2% in Fiscal 2012. Depreciation expense as a percentage of the related average depreciable base for Electric Utility was 2.5% in Fiscal 2014, 2.4% in Fiscal 2013 and 2.4% in Fiscal 2012. When Utilities retires depreciable utility plant and equipment, we charge the original cost to accumulated depreciation for financial accounting purposes. Costs incurred to retire utility plant and equipment, net of salvage, are recorded in regulatory assets.

We include in property, plant and equipment costs associated with computer software we develop or obtain for use in our businesses. We amortize computer software costs on a straight-line basis over expected periods of benefit generally not exceeding 10 years once the installed software is ready for its intended use.

No depreciation expense is included in cost of sales in the Consolidated Statements of Income.

Goodwill and Intangible Assets

In accordance with GAAP relating to intangible assets, we amortize intangible assets over their estimated useful lives unless we determine their lives to be indefinite. Estimated useful lives of definite-lived intangible assets, primarily consisting of customer relationships and noncompete agreements, do not exceed 15 years. We review definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the associated carrying amounts may not be recoverable. Determining whether an impairment loss occurred requires comparing the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. Intangible assets with indefinite lives are not amortized but are tested annually for impairment and written down to fair value as required.

We do not amortize goodwill, but test it at least annually for impairment at the reporting unit level. A reporting unit is an operating segment or one level below an operating segment (a component) if discrete financial information is prepared and regularly reviewed by segment management. Components are aggregated as a single reporting unit if they have similar economic characteristics. In accordance with GAAP, each of our reporting units with goodwill is required to perform impairment tests annually or whenever events or circumstances indicate that the value of goodwill may be impaired. For certain of our reporting units, we assess qualitative factors to determine whether it is more likely than not that the fair value of such reporting unit is less than its carrying amount. For our other reporting units with goodwill, we determine fair values generally based on a weighting of income and market approaches. For purposes of the income approach, fair values are determined based upon the present value of the reporting unit’s estimated future cash flows, including an estimate of the reporting unit’s terminal value based upon these cash flows, discounted at appropriate risk-adjusted rates. We use our internal forecasts to estimate future cash flows which may include estimates of long-term future growth rates based upon our most recent reviews of the long-term outlook for each reporting unit. Cash flow estimates used to establish fair values under our income approach involve management judgments based on a broad range of information and historical results. In addition, external economic and competitive conditions can influence future performance. For purposes of the market approach, we use valuation multiples for companies comparable to our reporting units. The market approach requires judgment to determine the appropriate valuation multiples. We are required to recognize an impairment charge under GAAP if the carrying amount of a reporting unit exceeds its fair value and the carrying amount of the reporting unit’s goodwill exceeds the implied fair value of that goodwill.

There were no accumulated impairment losses at September 30, 2014, and no provisions for goodwill or other intangible asset impairments were recorded during Fiscal 2014, Fiscal 2013 or Fiscal 2012. No amortization expense of intangible assets is included in cost of sales in the Consolidated Statements of Income (see Note 12).

Impairment of Long-Lived Assets and Cost Basis Investments

We evaluate the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. We evaluate recoverability based upon undiscounted future cash flows expected to be generated by such assets. No material provisions for impairments were recorded during Fiscal 2014, Fiscal 2013 or Fiscal 2012.

We reduce the carrying values of our cost basis investments when we determine that a decline in fair value is other than temporary. During Fiscal 2013, we recorded a pre-tax loss of \$6.3 associated with an other-than-temporary impairment of an investment in a private equity partnership.

Deferred Debt Issuance Costs

Included in other assets on our Consolidated Balance Sheets are net deferred debt issuance costs of \$36.7 and \$39.4 at September 30, 2014 and 2013, respectively. We are amortizing these costs over the terms of the related debt.

Refundable Tank and Cylinder Deposits

Included in other noncurrent liabilities on our Consolidated Balance Sheets are customer paid deposits on Antargaz owned tanks and cylinders of \$200.0 and \$214.6 at September 30, 2014 and 2013, respectively. Deposits are refundable to customers when the tanks or cylinders are returned in accordance with contract terms.

Environmental Matters

We are subject to environmental laws and regulations intended to mitigate or remove the effects of past operations and improve or maintain the quality of the environment. These laws and regulations require the removal or remedy of the effect on the environment of the disposal or release of certain specified hazardous substances at current or former operating sites.

Environmental reserves are accrued when assessments indicate that it is probable that a liability has been incurred and an amount can reasonably be estimated. Amounts recorded as environmental liabilities on the balance sheets represent our best estimate of costs expected to be incurred or, if no best estimate can be made, the minimum liability associated with a range of expected environmental investigation and remediation costs. Our estimated liability for environmental contamination is reduced to reflect anticipated participation of other responsible parties but is not reduced for possible recovery from insurance carriers. In those instances for which the amount and timing of cash payments associated with environmental investigation and cleanup are reliably determinable, we discount such liabilities to reflect the time value of money. We intend to pursue recovery of incurred costs through all appropriate means, including regulatory relief. UGI Gas is permitted to amortize as removal costs site-specific environmental investigation and remediation costs, net of related third-party payments, associated with Pennsylvania sites. UGI Gas is currently permitted to include in rates, through future base rate proceedings, a five-year average of such prudently incurred remediation costs, and CPG and PNG are currently receiving regulatory recovery of estimated environmental investigation and remediation costs associated with Pennsylvania sites. For further information, see Note 16.

Employee Retirement Plans

We use a market-related value of plan assets and an expected long-term rate of return to determine the expected return on assets of our pension and other postretirement plans. The market-related value of plan assets, other than equity investments, is based upon fair values. The market-related value of equity investments is calculated by rolling forward the prior-year's market-related value with contributions, disbursements and the expected return on plan assets. One third of the difference between the expected and the actual value is then added to or subtracted from the expected value to determine the new market-related value (see Note 8).

Equity-Based Compensation

All of our equity-based compensation, principally comprising UGI stock options, grants of UGI stock-based equity instruments and grants of AmeriGas Partners equity instruments (together with UGI stock-based equity instruments, "Units"), are measured at fair value on the grant date, date of modification or end of the period, as applicable. Compensation expense is recognized on a

straight-line basis over the requisite service period. Depending upon the settlement terms of the awards, all or a portion of the fair value of equity-based awards may be presented as a liability or as equity on our Consolidated Balance Sheets. Equity-based compensation costs associated with the portion of Unit awards classified as equity are measured based upon their estimated fair value on the date of grant or modification. Equity-based compensation costs associated with the portion of Unit awards classified as liabilities are measured based upon their estimated fair value at the grant date and remeasured as of the end of each period.

We have calculated a tax windfall pool using the shortcut method. We record deferred tax assets for awards that we expect will result in deductions on our income tax returns based on the amount of compensation cost recognized and the statutory tax rate in the jurisdiction in which we will receive a deduction. Differences between the deferred tax assets recognized for financial reporting purposes and the actual tax benefit received on the income tax return are recorded in Common Stock (if the tax benefit exceeds the deferred tax asset) or in the Consolidated Statements of Income (if the deferred tax asset exceeds the tax benefit and no tax windfall pool exists from previous awards).

For additional information on our equity-based compensation plans and related disclosures, see Note 14.

Note 3 — Accounting Changes

Adoption of New Accounting Standards

Disclosures about Reclassifications Out of Accumulated Other Comprehensive Income. In Fiscal 2014, the Company adopted new accounting guidance regarding disclosures for items reclassified out of AOCI. The disclosures required by the new accounting guidance are included in Note 2 and Note 18 to Consolidated Financial Statements. The new disclosures are applied prospectively. As this guidance only affects disclosure requirements, the adoption of this guidance did not impact our results of operations, cash flows or financial position.

Disclosures about Offsetting Assets and Liabilities. Effective October 1, 2013, the Company adopted new accounting guidance requiring entities to disclose both gross and net information about recognized derivative instruments that are offset on the balance sheet as a result of an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset on the balance sheet. The new disclosures are applied retroactively to all periods presented. The required disclosures are included in Note 18 to Consolidated Financial Statements. As this guidance only affects disclosure requirements, the adoption of this guidance did not impact our results of operations, cash flows or financial position.

Accounting Standards Not Yet Adopted

Revenue Recognition. In May 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers.” This ASU supersedes the revenue recognition requirements in ASC 605, “Revenue Recognition,” and most industry-specific guidance included in the ASC. The standard requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This standard is effective for the Company beginning in Fiscal 2018 and allows for either full retrospective adoption or modified retrospective adoption. The Company is in the process of assessing the impact of the adoption of ASU 2014-09 on its results of operations, cash flows and financial position.

Discontinued Operations. In April 2014, the FASB issued authoritative guidance amending existing requirements for reporting discontinued operations. Under the new guidance, discontinued operations reporting will be limited to disposal transactions that represent strategic shifts having a major effect on operations and financial results. The amended guidance also enhances disclosures and requires assets and liabilities of a discontinued operation to be classified as such for all periods presented in the financial statements. Public entities will apply the amended guidance prospectively to all disposals occurring within annual periods beginning on or after December 15, 2014, and interim periods within those years. The Company will adopt this standard on October 1, 2015. Due to the change in requirements for reporting discontinued operations described above, presentation and disclosure of future disposal transactions after adoption may be different than under current standards.

Note 4 — Acquisitions**AmeriGas Partners Acquisition of Heritage Propane**

On January 12, 2012 (the “Acquisition Date”), AmeriGas Partners completed the acquisition of Heritage Propane from ETP (“Heritage Acquisition”). Total consideration paid for the Heritage Acquisition totaled \$2,604.8, comprising \$1,472.2 in cash and 29,567,362 AmeriGas Partners Common Units with a fair value of \$1,132.6. In order to finance the cash portion of the Heritage Acquisition, AmeriGas Finance Corp. and AmeriGas Finance LLC, wholly owned finance subsidiaries of AmeriGas Partners, issued Senior Notes (see Note 6).

The Heritage Acquisition was consummated pursuant to a Contribution and Redemption Agreement dated October 15, 2011, as amended (the “Contribution Agreement”), by and among AmeriGas Partners, ETP, Energy Transfer Partners GP, L.P., the general partner of ETP, and Heritage ETC, L.P. (the “Contributor”). The acquired business conducted its propane operations in 41 states. According to LP-Gas Magazine rankings published on February 1, 2012, Heritage Propane was the third largest retail propane distributor in the United States, delivering over 500 million gallons to more than one million retail propane customers in 2011. The Heritage Acquisition was consistent with our growth strategies, one of which is to grow the Partnership’s core business through acquisitions.

Pursuant to the Contribution Agreement, the Contributor contributed to AmeriGas Partners a 99.999% limited partner interest in HOLP; a 100% membership interest in Heritage Operating GP, LLC, a Delaware limited liability company and holder of a 0.001% general partner interest in HOLP; a 99.99% limited partner interest in Titan Energy Partners, L.P., a Delaware limited partnership and the sole member of Titan LLC; and a 100% membership interest in Titan Energy GP, L.L.C., a Delaware limited liability company and holder of a 0.01% general partner interest in Titan Energy Partners, L.P. As a result of the Heritage Acquisition, the General Partner, in order to maintain its general partner interests in AmeriGas Partners and AmeriGas OLP, contributed 934,327 Common Units to the Partnership having a fair value of \$41.7. These Common Units were subsequently cancelled.

The final allocation of the purchase price to the assets acquired and liabilities assumed for the Heritage Acquisition is as follows:

Assets acquired:		
Current assets	\$	301.4
Property, plant & equipment		890.2
Customer relationships (estimated useful life of 15 years)		418.9
Trademarks and tradenames (a)		91.1
Goodwill (a) (b)		1,217.7
Other assets		9.9
Total assets acquired	\$	2,929.2
Liabilities assumed:		
Current liabilities	\$	(238.1)
Long-term debt		(62.9)
Other noncurrent liabilities		(23.4)
Total liabilities assumed	\$	(324.4)
Total	\$	2,604.8

(a) During Fiscal 2013, the Partnership made correcting adjustments to trademarks and tradenames and goodwill which are not reflected in the table above (see Note 12).

(b) Goodwill associated with the Heritage Acquisition principally results from synergies expected from combining the operations and from assembled workforce. The tax effects of such goodwill will be realized over a 15-year period.

Transaction expenses associated with the Heritage Acquisition, which are included in operating and administrative expenses in the Consolidated Statements of Income, totaled \$5.3 for Fiscal 2012. The results of operations of Heritage Propane are included in the Consolidated Statements of Income since the acquisition. As a result of combining the Heritage Propane operations with the Partnership’s legacy operations, it is impracticable to determine the impact of the Heritage Propane operations on the revenues and earnings of the Company.

The following presents unaudited Fiscal 2012 pro forma income statement and earnings per share data as if the Heritage Acquisition had occurred at the beginning of the period:

	2012
Revenues	\$ 7,013.0
Net income attributable to UGI Corporation	\$ 208.4
Earnings per common share attributable to UGI Corporation stockholders:	
Basic	\$ 1.23
Diluted	\$ 1.22

The unaudited pro forma results of operations reflect Heritage Propane's historical operating results after giving effect to adjustments directly attributable to the transaction that are expected to have a continuing effect. The unaudited pro forma consolidated results of operations are not necessarily indicative of the results that would have occurred had the Heritage Acquisition occurred on the date indicated nor are they necessarily indicative of future operating results.

Other Acquisitions

During Fiscal 2014, Energy Services acquired a retail natural gas marketing business located principally in western Pennsylvania from EQT Energy, LLC, an affiliate of EQT Corporation, for cash consideration of \$20 and AmeriGas OLP acquired several retail propane distribution businesses for \$15.7 in cash.

During Fiscal 2013, Flaga acquired BP's LPG distribution business in Poland for total cash consideration of approximately \$36 which Flaga financed with cash proceeds from the issuance of long-term debt (see Note 6); AmeriGas OLP acquired two domestic retail propane distribution businesses for total cash consideration of \$20; and Energy Services acquired a non-operating working interest in natural gas acreage in the Marcellus Shale region of Pennsylvania for approximately \$23 in cash.

During Fiscal 2012, AmeriGas OLP acquired several retail propane distribution businesses for \$13.5 in cash.

Note 5 — Short-term Borrowings

Short-term borrowings are comprised of the following at September 30:

	2014	2013
Credit Agreements:		
AmeriGas Propane	\$ 109.0	\$ 116.9
UGI International	8.0	6.5
UGI Utilities	86.3	17.5
Energy Services	—	57.0
Energy Services Accounts Receivable Securitization Facility	7.5	30.0
Total short-term borrowings	<u>\$ 210.8</u>	<u>\$ 227.9</u>

AmeriGas Propane

In June 2014, AmeriGas OLP entered into an Amended and Restated Credit Agreement ("AmeriGas Credit Agreement") with a group of banks which provides for borrowings up to \$525 (including a sublimit of \$125 for letters of credit) and expires in June 2019. The AmeriGas Credit Agreement amends and restates AmeriGas OLP's prior credit agreement entered into in June 2011, as amended from time to time. The AmeriGas Credit Agreement permits AmeriGas OLP to borrow at prevailing interest rates, including the base rate, defined as the higher of the Federal Funds rate plus 0.50% or the agent bank's prime rate, or at a one-week, one-, two-, three-, or six-month Eurodollar Rate, as defined in the AmeriGas Credit Agreement, plus a margin. Under the AmeriGas Credit Agreement, the applicable margin on base rate borrowings ranges from 0.50% to 1.50%; the applicable margin on Eurodollar Rate borrowings ranges from 1.50% to 2.50%; and the facility fee ranges from 0.30% to 0.45%. The aforementioned margins and facility fees are dependent upon AmeriGas Partners' ratio of debt to earnings before interest expense, income taxes, depreciation and amortization (each as defined in the AmeriGas Credit Agreement).

The weighted-average interest rates on AmeriGas OLP borrowings under the AmeriGas Credit Agreement and the prior credit agreement at September 30, 2014 and 2013, were 2.16% and 2.69%, respectively. At September 30, 2014 and 2013, issued and outstanding letters of credit, which reduce available borrowings under these credit agreements, totaled \$64.7 and \$53.7, respectively.

Restrictive Covenants. The AmeriGas Credit Agreement restricts the incurrence of additional indebtedness and also restricts certain liens, guarantees, investments, loans and advances, payments, mergers, consolidations, asset transfers, transactions with affiliates, sales of assets, acquisitions and other transactions. The AmeriGas Credit Agreement requires that AmeriGas OLP and AmeriGas Partners maintain ratios of total indebtedness to EBITDA, as defined, below certain thresholds. In addition, the Partnership must maintain a minimum ratio of EBITDA to interest expense, as defined and as calculated on a rolling four-quarter basis. Generally, as long as no default exists or would result therefrom, AmeriGas OLP is permitted to make cash distributions not more frequently than quarterly in an amount not to exceed available cash, as defined, for the immediately preceding calendar quarter.

UGI International

Antargaz has a Senior Facilities Agreement comprising a variable rate term loan (see Note 6) and a €40 credit facility (“Senior Facilities Agreement Credit Facility”). Borrowings under the Senior Facilities Agreement Credit Facility bear interest at one-, two-, three- or six-month euribor, plus a margin. The margin on the Senior Facilities Agreement Credit Facility borrowings (which range from 1.75% to 2.50%) is dependent upon the ratio of Antargaz’ total net debt to EBITDA, each as defined in the Senior Facilities Agreement. Borrowings under the Senior Facilities Agreement Credit Facility are collateralized by substantially all of Antargaz’ shares in its subsidiaries and by substantially all of its accounts receivables. There were no amounts outstanding under the Senior Facilities Agreement Credit Facility at September 30, 2014 or 2013.

At September 30, 2014, Flaga has two principal working capital facilities (the “Flaga Credit Agreements”) comprising (1) a €46 multi-currency working capital facility which includes an uncommitted €6 overdraft facility (the “Multi-Currency Working Capital Facility”) and (2) a euro-denominated working capital facility that provides for borrowings and issuances of guarantees totaling €12 (the “Euro Working Capital Facility”). Both the Multi-Currency Working Capital Facility and the Euro Working Capital Facility are currently scheduled to expire in December 2014. At September 30, 2014, there were no borrowings outstanding under the Flaga Credit Agreements. At September 30, 2013, borrowings outstanding under the Flaga Credit Agreements were €0.2 (\$0.3).

Borrowings under the Flaga Credit Agreements generally bear interest at market rates (a daily euro-based rate or three-month euribor rates) plus a margin. The weighted-average interest rate on borrowings under the Flaga Credit Agreements at September 30, 2013 was 4.21%. Issued and outstanding letters of credit, which reduce available borrowings under the Flaga Credit Agreements, totaled €32.3 (\$40.8) and €28.6 (\$38.7) at September 30, 2014 and 2013, respectively.

Flaga also has certain in-country uncommitted overdraft facilities which it uses, from time to time, to fund short-term working capital needs. At September 30, 2014 and 2013, borrowings outstanding under these overdraft facilities totaled €6.3 (\$8.0) and €4.6 (\$6.2), respectively.

Restrictive Covenants and Guarantees. The Senior Facilities Agreement restricts the ability of Antargaz to, among other things, incur additional indebtedness, make investments, incur liens, and effect mergers, consolidations and sales of assets, and requires Antargaz to maintain a ratio of net debt to EBITDA on a French generally accepted accounting basis, as defined in the agreement, that shall not exceed 3.50 to 1.00. Under this agreement, Antargaz is generally permitted to make restricted payments, such as dividends, if no event of default exists or would exist upon payment of such restricted payment. UGI has guaranteed up to €100 of payments between the variable rate term loan (see Note 6) and the Senior Facilities Agreement Credit Facility.

The Flaga working capital facilities are guaranteed by UGI. In addition, under certain conditions regarding changes in certain financial ratios of UGI, the lending banks may accelerate repayment of the debt.

UGI Utilities

UGI Utilities has an unsecured credit agreement (“UGI Utilities Credit Agreement”) with a group of banks providing for borrowings up to \$300 (including a \$100 sublimit for letters of credit) which expires in October 2015. UGI Utilities may borrow at various prevailing market interest rates, including LIBOR and the banks’ prime rate, plus a margin. The margin on such borrowings ranges from 0.0% to 2.0% and is based upon the credit ratings of certain indebtedness of UGI Utilities. The weighted-average interest rates on UGI Utilities Credit Agreement borrowings at September 30, 2014 and 2013 were 1.03% and 1.18%, respectively. Issued and outstanding letters of credit, which reduce available borrowings under the UGI Utilities Credit Agreement, totaled \$2.0 and \$2.0 at September 30, 2014 and 2013, respectively.

Restrictive Covenants. The UGI Utilities Credit Agreement requires UGI Utilities not to exceed a ratio of Consolidated Debt to Consolidated Total Capital, as defined, of 0.65 to 1.00.

Energy Services

Credit Agreement. Energy Services has an unsecured credit agreement (“Energy Services Credit Agreement”) with a group of lenders providing for borrowings of up to \$240 (including a \$50 sublimit for letters of credit) which expires in June 2016. The Energy Services Credit Agreement can be used for general corporate purposes of Energy Services and its subsidiaries. Energy Services may not pay a dividend unless, after giving effect to such dividend payment, the ratio of Consolidated Total Indebtedness to EBITDA, each as defined in the Energy Services Credit Agreement, does not exceed 2.25 to 1.00. At September 30, 2014, there were no borrowings outstanding under the Energy Services Credit Agreement. At September 30, 2013, borrowings outstanding under the Energy Services Credit Agreement were \$57.0.

Borrowings under the Energy Services Credit Agreement bear interest at either (i) a rate derived from LIBOR (the “LIBO Rate”) plus 2.5% or (ii) the Alternate Base Rate plus 1.5%. The Alternate Base Rate (as defined in the Energy Services Credit Agreement) is generally the greater of (a) the Agent Bank’s prime rate, (b) the federal funds rate plus 0.50% and (c) the one-month LIBO Rate plus 1.0%. The weighted-average interest rate on Energy Services Credit Agreement borrowings at September 30, 2013 was 2.91%. The Energy Services Credit Agreement is guaranteed by certain subsidiaries of Energy Services.

Restrictive Covenants. The Energy Services Credit Agreement restricts the ability of Energy Services to dispose of assets, effect certain consolidations or mergers, incur indebtedness and guaranty obligations, create liens, make acquisitions or investments, make certain dividend or other distributions and make any material changes to the nature of its businesses. In addition, the Energy Services Credit Agreement requires Energy Services to not exceed a ratio of Consolidated Total Indebtedness, as defined, to Consolidated EBITDA, as defined; a minimum ratio of Consolidated EBITDA to Consolidated Interest Expense, as defined; a maximum ratio of Consolidated Total Indebtedness to Consolidated Total Capitalization, as defined, at any time when Consolidated Total Indebtedness is greater than \$250; and a minimum Consolidated Net Worth, as defined, of \$200.

Accounts Receivable Securitization Facility. Energy Services has a receivables purchase facility (“Receivables Facility”) with an issuer of receivables-backed commercial paper currently scheduled to expire in October 2015. The Receivables Facility, as amended, provides Energy Services with the ability to borrow up to \$150 of eligible receivables during the period November to May, and up to \$75 of eligible receivables during the period June to October. Energy Services uses the Receivables Facility to fund working capital, margin calls under commodity futures contracts, capital expenditures, dividends and for general corporate purposes.

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 major bank and, prior to October 1, 2013, a commercial paper conduit of the bank. ESFC was created and has been structured to isolate its assets from creditors of Energy Services and its affiliates, including UGI. Trade receivables sold to the bank or, prior to October 1, 2013, the commercial paper conduit, remain on the Company’s balance sheet and the Company reflects a liability equal to the amount advanced by the bank or the commercial paper conduit. The Company records interest expense on amounts owed to the bank or the commercial paper conduit. Energy Services continues to service, administer and collect trade receivables on behalf of the bank or commercial paper issuer, as applicable.

During Fiscal 2014, Fiscal 2013 and Fiscal 2012, Energy Services transferred trade receivables totaling \$1,260.6, \$975.3 and \$836.0, respectively, to ESFC. During Fiscal 2014, Fiscal 2013 and Fiscal 2012, ESFC sold an aggregate \$354.0, \$291.0 and \$286.0, respectively, of undivided interests in its trade receivables to the bank or the commercial paper conduit. At September 30, 2014, the outstanding balance of ESFC trade receivables was \$46.4 of which \$7.5 was sold to the bank. At September 30, 2013, the outstanding balance of ESFC trade receivables was \$55.0 of which \$30.0 amount was sold to the commercial paper conduit. Losses on sales of receivables to the bank or the commercial paper conduit during Fiscal 2014, Fiscal 2013 and Fiscal 2012, which amounts are included in interest expense on the Consolidated Statements of Income, totaled \$0.6, \$0.7 and \$1.0, respectively.

UGI Corporation and Subsidiaries**Notes to Consolidated Financial Statements**

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

Note 6 — Long-term Debt

Long-term debt comprises the following at September 30:

	2014	2013
AmeriGas Propane:		
AmeriGas Partners Senior Notes:		
7.00%, due May 2022	\$ 980.8	\$ 980.8
6.75%, due May 2020	550.0	550.0
6.50%, due May 2021	270.0	270.0
6.25%, due August 2019	450.0	450.0
HOLP Senior Secured Notes	26.5	32.0
Other	14.4	17.3
Total AmeriGas Propane	2,291.7	2,300.1
UGI International:		
Antargaz Senior Facilities term loan, due through March 2016	432.0	514.0
Flaga term loan, due September 2016	52.0	52.0
Flaga term loan, due through September 2016	50.5	54.1
Flaga term loan, due October 2016	24.1	25.8
Flaga term loan, due through June 2014	—	1.9
Other	6.4	6.6
Total UGI International	565.0	654.4
UGI Utilities:		
Term Loan Credit Agreement	—	175.0
Senior Notes:		
5.75%, due September 2016	175.0	175.0
4.98%, due March 2044	175.0	—
6.21%, due September 2036	100.0	100.0
Medium-Term Notes:		
5.16%, due May 2015	20.0	20.0
7.37%, due October 2015	22.0	22.0
5.64%, due December 2015	50.0	50.0
6.17%, due June 2017	20.0	20.0
7.25%, due November 2017	20.0	20.0
5.67%, due January 2018	20.0	20.0
6.50%, due August 2033	20.0	20.0
6.13%, due October 2034	20.0	20.0
Total UGI Utilities	642.0	642.0
Other	12.1	12.9
Total long-term debt	3,510.8	3,609.4
Less: current maturities	(77.2)	(67.2)
Total long-term debt due after one year	\$ 3,433.6	\$ 3,542.2

Scheduled principal repayments of long-term debt due in fiscal years 2015 to 2019 follow:

	2015	2016	2017	2018	2019
AmeriGas Propane	\$ 11.0	\$ 7.6	\$ 5.6	\$ 4.9	\$ 454.5
UGI Utilities	20.0	247.0	20.0	40.0	—
UGI International	45.0	492.9	25.4	0.9	0.7
Other	0.7	0.7	0.7	0.8	0.8
Total	\$ 76.7	\$ 748.2	\$ 51.7	\$ 46.6	\$ 456.0

AmeriGas Propane

In order to finance the cash portion of the Heritage Acquisition, on January 12, 2012, AmeriGas Finance Corp. and AmeriGas Finance LLC, wholly owned finance subsidiaries of AmeriGas Partners (the “Issuers”), issued \$550 principal amount of 6.75% Notes due May 2020 and \$1,000 principal amount of 7.00% Notes due May 2022. The 6.75% Notes and the 7.00% Notes are fully and unconditionally guaranteed on a senior unsecured basis by AmeriGas Partners. The Issuers have the right to redeem the 6.75% Notes, in whole or in part, at any time on or after May 20, 2016, and to redeem the 7.00% Notes, in whole or in part, at any time on or after May 20, 2017, subject to certain restrictions. A premium applies to redemptions of the 6.75% Notes and 7.00% Notes through May 2018 and May 2020, respectively. On or prior to May 20, 2015, the Issuers may also redeem, at a premium and subject to certain restrictions, up to 35% of each of the 6.75% Notes and the 7.00% Notes with the proceeds of an AmeriGas Partners registered public equity offering. The 6.75% Notes and the 7.00% Notes and the guarantees rank equal in right of payment with all of AmeriGas Partners’ existing Senior Notes. In connection with the Heritage Acquisition, AmeriGas Partners, AmeriGas Finance Corp., AmeriGas Finance LLC and UGI entered into a Contingent Residual Support Agreement (“CRSA”) with ETP pursuant to which ETP will provide contingent, residual support of \$1,500 of debt (“Supported Debt” as defined in the CRSA).

On March 28, 2012, AmeriGas Partners announced that holders of approximately \$383.5 in aggregate principal amount of outstanding 6.50% Senior Notes due May 2021 (the “6.50% Notes”), representing approximately 82% of the total \$470 principal amount outstanding, had validly tendered their notes in connection with the Partnership’s March 14, 2012, offer to purchase for cash up to \$200 of the 6.50% Notes. Tendered 6.50% Notes in the amount of \$200 were redeemed on March 28, 2012, at an effective price of 105% using an approximate proration factor of 52.3% of total notes tendered. During June 2012, AmeriGas Partners repurchased approximately \$19.2 aggregate principal amount of outstanding 7.00% Notes. The Partnership recorded a net loss of \$13.3 on these extinguishments of debt which amount is reflected on the Fiscal 2012 Consolidated Statement of Income under the caption loss on extinguishments of debt. The net loss reduced net income attributable to UGI Corporation by \$2.2 during Fiscal 2012.

The Partnership’s total long-term debt at September 30, 2014, includes \$26.5 of HOLP Senior Secured Notes (including unamortized premium of \$3.1). At September 30, 2014, the face interest rates on the HOLP Notes range from 7.89% to 8.87% with an effective interest rate of 6.75%. The HOLP Senior Secured Notes are collateralized by AmeriGas OLP’s receivables, contracts, equipment, inventory, general intangibles and cash.

Restrictive Covenants. The AmeriGas Partners Senior Notes restrict the ability of the Partnership and AmeriGas OLP to, among other things, incur additional indebtedness, make investments, incur liens, issue preferred interests, prepay subordinated indebtedness, and effect mergers, consolidations and sales of assets. Under the AmeriGas Partners Senior Notes Indentures, AmeriGas Partners is generally permitted to make cash distributions equal to Available Cash, as defined, as of the end of the immediately preceding quarter, if certain conditions are met. At September 30, 2014, these restrictions did not limit the amount of Available Cash. See Note 15 for definition of Available Cash included in the Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners, L.P. (“Partnership Agreement”).

The HOLP Senior Secured Notes contain restrictive covenants including the maintenance of financial covenants and limitations on the disposition of assets, changes in ownership, additional indebtedness, restrictive payments and the creation of liens. The financial covenants require AmeriGas OLP to maintain a ratio of Consolidated Funded Indebtedness to Consolidated EBITDA (as defined) below certain thresholds and to maintain a minimum ratio of Consolidated EBITDA to Consolidated Interest Expense (as defined).

UGI International

At September 30, 2014, Antargaz has a €342 (\$432.0) variable-rate term loan under its Senior Facilities Agreement with a consortium of banks. Scheduled maturities under the term loan are €34.2 (\$43.2) due May 2015, and €307.8 (\$388.8) due March 2016. Term loan borrowings bear interest at one-, two-, three- or six-month euribor, plus a margin, as defined by the Senior Facilities Agreement. The margin on the term loan (which range from 1.75% to 2.50%) is dependent upon the ratio of Antargaz' total net debt to EBITDA, each as defined in the Senior Facilities Agreement. Antargaz has entered into pay-fixed, receive-variable interest rate swaps to fix the underlying euribor rate of interest on the term loan at an average rate of approximately 2.45% through September 2015 and, thereafter, at a rate of 3.71% through the date of the term loan's final maturity in March 2016. At September 30, 2014 and 2013, the effective interest rates on Antargaz' term loan were 4.79% and 4.41%, respectively. The Senior Facilities Agreement is collateralized by substantially all of Antargaz' shares in its subsidiaries and by substantially all of its accounts receivables.

In order to finance the purchase of BP's LPG distribution business in Poland in September 2013, Flaga entered into a \$52 U.S. dollar-denominated three-year term loan which matures in September 2016. The \$52 loan bears interest at one- to twelve-month euribor rates (as chosen by Flaga from time to time) plus a margin of 1.25%. Flaga has effectively fixed the euribor component of the interest rate, and has effectively fixed the U.S. dollar value of the interest and principal payments payable under the \$52 loan, by entering into a cross-currency swap arrangement with a bank. At September 30, 2014 and 2013, the effective interest rate on the \$52 loan was 1.82%.

Flaga has a €19.1 (\$24.1) euro-based variable-rate term loan that matures in October 2016. The €19.1 term loan bears interest at three-month euribor rates plus a margin. The margin on such borrowings ranges from 1.175% to 2.525% and is based upon certain consolidated equity, return on assets and debt to EBITDA ratios. Flaga has effectively fixed the euribor component of the interest rate on this term loan at 1.79% by entering into an interest rate swap agreement. The effective interest rates on this term loan at September 30, 2014 and 2013, were 3.40% and 3.85%, respectively.

Flaga also has a €40 (\$50.5) euro-based term loan agreement under which €26.7 (\$33.7) matures in August 2016 and €13.3 (\$16.8) matures in September 2016. The term loans bear interest at one- to twelve-month euribor rates (as chosen by Flaga from time to time) plus margins. The margins on such borrowings range from 1.125% to 2.55% and are based upon certain consolidated equity, return on assets and debt to EBITDA ratios. Flaga has effectively fixed the euribor component of the interest rates on these term loans through September 2016 at 2.68% by entering into an interest rate swap agreement. The effective interest rates on these term loans at September 30, 2014 and 2013, were 4.25% and 4.68%, respectively.

Restrictive Covenants and Guarantees. The Senior Facilities Agreement restricts the ability of Antargaz to, among other things, incur additional indebtedness, make investments, incur liens, and effect mergers, consolidations and sales of assets, and requires Antargaz to maintain a ratio of net debt to EBITDA on a French generally accepted accounting basis, as defined in the agreement, that shall not exceed 3.50 to 1.00. Under this agreement, Antargaz is generally permitted to make restricted payments, such as dividends, if no event of default exists or would exist upon payment of such restricted payment. UGI has guaranteed up to €100 of payments between the variable-rate term loan and the Senior Facilities Agreement Credit Facility (see Note 5).

The Flaga term loans, interest rate and cross currency agreements are guaranteed by UGI. In addition, under certain conditions regarding changes in certain financial ratios of UGI, the lending banks may accelerate repayment of the debt.

UGI Utilities

In March 2014, UGI Utilities issued in a private placement \$175 of 4.98% Senior Notes due March 2044 ("4.98% Senior Notes"). The 4.98% Senior Notes were issued pursuant to a Note Purchase Agreement dated October 30, 2013, between UGI Utilities and certain note purchasers. The 4.98% Senior Notes are unsecured and rank equally with UGI Utilities' existing outstanding senior debt. The net proceeds from the sale of the 4.98% Senior Notes were used to repay \$175 of borrowings under UGI Utilities' 364-day Term Loan Credit Agreement. Because the Company had the intent and ability to refinance the Term Loan Credit Agreement on a long-term basis as of September 30, 2013, amounts outstanding under the Term Loan Credit Agreement were classified as long-term on the 2013 Consolidated Balance Sheet.

Restrictive Covenants. The 4.98% Senior Notes include the usual and customary covenants for similar type notes including, among others, maintenance of existence, payment of taxes when due, compliance with laws and maintenance of insurance. The 4.98% Senior Notes also contain restrictive and financial covenants including a requirement that UGI Utilities not exceed a ratio of Consolidated Debt to Consolidated Total Capital, as defined therein, of 0.65 to 1.00.

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements

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

Restricted Net Assets

At September 30, 2014, the amount of net assets of UGI’s consolidated subsidiaries that was restricted from transfer to UGI under debt agreements, subsidiary partnership agreements and regulatory requirements under foreign laws totaled approximately \$1,600.

Note 7 — Income Taxes

Income before income taxes comprises the following:

	2014	2013	2012
Domestic	\$ 699.2	\$ 494.1	\$ 245.6
Foreign	68.6	96.3	59.0
Total income before income taxes	<u>\$ 767.8</u>	<u>\$ 590.4</u>	<u>\$ 304.6</u>

The provisions for income taxes consist of the following:

	2014	2013	2012
Current expense (benefit):			
Federal	\$ 102.4	\$ 53.3	\$ (10.4)
State	30.7	25.1	11.2
Foreign	37.0	37.3	18.8
Investment tax credit	(1.6)	(1.6)	(2.9)
Total current expense	<u>168.5</u>	<u>114.1</u>	<u>16.7</u>
Deferred expense (benefit):			
Federal	61.9	54.6	81.7
State	7.8	(0.7)	7.0
Foreign	(2.7)	(4.9)	1.8
Investment tax credit amortization	(0.3)	(0.3)	(0.3)
Total deferred expense	<u>66.7</u>	<u>48.7</u>	<u>90.2</u>
Total income tax expense	<u>\$ 235.2</u>	<u>\$ 162.8</u>	<u>\$ 106.9</u>

Federal income taxes for Fiscal 2014, Fiscal 2013 and Fiscal 2012 are net of foreign tax credits of \$12.1, \$34.9 and \$5.2, respectively.

A reconciliation from the U.S. federal statutory tax rate to our effective tax rate is as follows:

	2014	2013	2012
U.S. federal statutory tax rate	35.0 %	35.0 %	35.0 %
Difference in tax rate due to:			
Noncontrolling interests not subject to tax	(9.0)	(8.7)	1.2
State income taxes, net of federal benefit	3.4	3.4	4.0
Valuation allowance adjustments	—	(0.5)	(1.5)
Effects of foreign operations	1.0	(1.8)	(3.3)
Other, net	0.2	0.2	(0.3)
Effective tax rate	<u>30.6 %</u>	<u>27.6 %</u>	<u>35.1 %</u>

In December 2013, the French Parliament approved the Finance Bill for 2014 and amended the Finance Bill for 2013 (collectively, the “Finance Bills”). Among other things, the Finance Bills limit Antargaz’ ability to deduct certain interest expense for income tax purposes and temporarily increases the corporate surtax rate for a period of two years. Based upon our review of the Finance

Bills and interpretive guidance, provisions of the Finance Bills associated with the deductibility of certain interest expense at Antargaz apply retroactively to such interest expense incurred during Fiscal 2013. In December 2013, the Company recorded additional income taxes of \$5.7 to reflect the effects of the retroactive provisions of the Finance Bills and is included in effects of foreign operations in the effective tax rate table above.

The effects of foreign operations in the table above for Fiscal 2012 reflects the impact of tax efficient structuring of certain of our international operations and, as a result of the Fiscal 2012 Shell Transaction, also reflects a greater proportion of pretax income in countries in which the statutory income tax rate is less than the U.S. statutory tax rate. The tax restructuring of certain of our international operations also permitted us to reduce our foreign tax credit valuation allowance by \$4.6 during Fiscal 2012 which is included as a valuation allowance adjustment in the table above.

Earnings of the Company's foreign subsidiaries are generally subject to U.S. taxation upon repatriation to the U.S. and the Company's tax provision reflects the related incremental U.S. tax except for certain foreign subsidiaries whose unremitted earnings are considered to be indefinitely reinvested. At September 30, 2014, unremitted earnings of foreign subsidiaries of approximately \$42.7 were deemed to be indefinitely reinvested. No deferred tax liability has been recognized with regard to the remittance of such earnings. Because of the availability of U.S. foreign tax credits, it is likely no U.S. tax would be due if such earnings were repatriated.

Pennsylvania utility ratemaking practice permits the flow through to ratepayers of state tax benefits resulting from accelerated tax depreciation. For Fiscal 2014, Fiscal 2013 and Fiscal 2012, the beneficial effects of state tax flow through of accelerated depreciation reduced income tax expense by \$2.0, \$1.5 and \$3.2, respectively. The higher state tax flow through amount in Fiscal 2012 reflects the impact of 2010 U.S. Federal tax legislation that allowed taxpayers to fully deduct qualifying capital expenditures incurred after September 8, 2010, through the end of calendar 2011, when such property was placed in service before 2012. This legislation was also permitted for Pennsylvania state corporate income tax purposes.

Deferred tax liabilities (assets) comprise the following at September 30:

	2014	2013
Excess book basis over tax basis of property, plant and equipment	\$ 675.7	\$ 626.9
Investment in AmeriGas Partners	325.1	313.0
Intangible assets and goodwill	53.0	65.1
Utility regulatory assets	110.0	101.6
Foreign currency translation adjustment	—	9.5
Other	3.5	2.7
Gross deferred tax liabilities	1,167.3	1,118.8
Pension plan liabilities	(40.6)	(36.2)
Employee-related benefits	(48.8)	(47.9)
Operating loss carryforwards	(27.9)	(32.1)
Foreign tax credit carryforwards	(47.8)	(81.8)
Utility regulatory liabilities	(14.8)	(15.5)
Foreign currency translation adjustment	(14.1)	—
Derivative instruments	(11.0)	(15.0)
Other	(13.0)	(20.5)
Gross deferred tax assets	(218.0)	(249.0)
Deferred tax assets valuation allowance	59.2	97.6
Net deferred tax liabilities	\$ 1,008.5	\$ 967.4

At September 30, 2014, foreign net operating loss carryforwards principally relating to Flaga and certain operations of Antargaz totaled \$37.4 and \$8.2, respectively, with no expiration dates. We have state net operating loss carryforwards primarily relating to certain subsidiaries which approximate \$171.9 and expire through 2034. We also have operating loss carryforwards of \$16.8 for certain operations of AmeriGas Propane that expire through 2033. At September 30, 2014, deferred tax assets relating to

operating loss carryforwards include \$8.4 for Flaga, \$2.7 for Antargaz, \$0.8 for UGI International Holdings BV, \$6.5 for AmeriGas Propane and \$9.5 for certain other subsidiaries. A valuation allowance of \$15.1 has been provided for deferred tax assets related to state net operating loss carryforwards and other state deferred tax assets of certain subsidiaries because, on a state reportable basis, it is more likely than not that these assets will expire unused. A valuation allowance of \$3.0 was also provided for deferred tax assets related to certain operations of Antargaz, Flaga and UGI International Holdings BV. Operating activities and tax deductions related to the exercise of non-qualified stock options contributed to the state net operating losses disclosed above. We first recognize the utilization of state net operating losses from operations (which exclude the impact of tax deductions for exercises of non-qualified stock options) to reduce income tax expense. Then, to the extent state net operating loss carryforwards, if realized, relate to non-qualified stock option deductions, the resulting benefits will be credited to UGI Corporation stockholders' equity. The table of deferred tax assets and liabilities do not include \$6.7 for Fiscal 2014 and \$5.9 for Fiscal 2013 of deferred tax assets and associated valuation allowance for unrealized state tax benefits for equity compensation deductions.

We have foreign tax credit carryforwards of approximately \$47.8 expiring through 2024 resulting from the actual and planned repatriation of Antargaz' accumulated earnings since acquisition which are includable in U.S. taxable income. Because we expect that these credits will expire unused, a valuation allowance has been provided for the entire foreign tax credit carryforward amount. The valuation allowance for all deferred tax assets decreased by \$38.4 in Fiscal 2014 due to decreases in unusable foreign tax credits of \$34.0 and foreign operating loss carryforwards of \$4.8, partially offset by increases in unusable state operating loss tax benefits of \$0.4.

We conduct business and file tax returns in the U.S., numerous states, local jurisdictions and in France and certain other European countries. Our U.S. federal income tax returns are settled through the 2010 tax year, our French tax returns are settled through the 2010 tax year. The Antargaz French tax returns from 2011 to 2013 are currently under audit. Our Austrian tax returns are settled through 2012 and our other European tax returns are effectively settled for various years from 2005 to 2012. State and other income tax returns in the U.S. are generally subject to examination for a period of three to five years after the filing of the respective returns.

As of September 30, 2014, we have unrecognized income tax benefits totaling \$2.5 including related accrued interest of \$0.1. If these unrecognized tax benefits were subsequently recognized, \$2.5 would be recorded as a benefit to income taxes on the Consolidated Statement of Income and, therefore, would impact the reported effective tax rate. Generally, a net reduction in unrecognized tax benefits could occur because of the expiration of the statute of limitations in certain jurisdictions or as a result of settlements with tax authorities. There is an expected change in unrecognized tax benefits and related interest in the next twelve months in the amount of \$0.6.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

	2014	2013	2012
Unrecognized tax benefits - beginning of year	\$ 3.4	\$ 2.9	\$ 6.3
Additions for tax positions of the current year	0.7	0.7	0.5
Additions for tax positions taken in prior years	—	—	0.6
Settlements with tax authorities	(1.7)	(0.2)	(4.5)
Unrecognized tax benefits - end of year	\$ 2.4	\$ 3.4	\$ 2.9

Note 8 — Employee Retirement Plans

Defined Benefit Pension and Other Postretirement Plans

In the U.S., we sponsor a defined benefit pension plan for employees hired prior to January 1, 2009, of UGI, UGI Utilities, PNG, CPG and certain of UGI's other domestic wholly owned subsidiaries ("U.S. Pension Plan"). U.S. Pension Plan benefits are based on years of service, age and employee compensation.

We also provide postretirement health care benefits to certain retirees and active employees and postretirement life insurance benefits to nearly all U.S. active and retired employees. In addition, Antargaz employees are covered by certain defined benefit pension and postretirement plans. Although the disclosures in the tables below include amounts related to the Antargaz plans, such amounts are not material.

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The following table provides a reconciliation of the projected benefit obligations (“PBOs”) of the U.S. Pension Plan and the Antargaz pension plans, the accumulated benefit obligations (“ABOs”) of our other postretirement benefit plans, plan assets, and the funded status of pension and other postretirement plans as of September 30, 2014 and 2013. ABO is the present value of benefits earned to date with benefits based upon current compensation levels. PBO is ABO increased to reflect estimated future compensation.

	Pension Benefits		Other Postretirement Benefits	
	2014	2013	2014	2013
Change in benefit obligations:				
Benefit obligations — beginning of year	\$ 516.5	\$ 573.4	\$ 19.7	\$ 24.7
Service cost	9.4	11.3	0.5	0.6
Interest cost	26.1	23.8	0.9	0.9
Actuarial (gain) loss	46.8	(72.7)	1.3	(3.6)
Plan amendments	—	1.0	—	(1.8)
Foreign currency	(2.4)	1.5	(0.3)	0.2
Benefits paid	(22.8)	(21.8)	(0.8)	(1.3)
Benefit obligations — end of year	<u>\$ 573.6</u>	<u>\$ 516.5</u>	<u>\$ 21.3</u>	<u>\$ 19.7</u>
Change in plan assets:				
Fair value of plan assets — beginning of year	\$ 415.3	\$ 369.9	\$ 11.7	\$ 11.2
Actual gain on plan assets	47.9	42.2	1.4	1.1
Foreign currency	(1.2)	0.8	—	—
Employer contributions	20.2	24.2	0.5	0.7
Benefits paid	(22.8)	(21.8)	(0.8)	(1.3)
Fair value of plan assets — end of year	<u>\$ 459.4</u>	<u>\$ 415.3</u>	<u>\$ 12.8</u>	<u>\$ 11.7</u>
Funded status of the plans — end of year	<u>\$ (114.2)</u>	<u>\$ (101.2)</u>	<u>\$ (8.5)</u>	<u>\$ (8.0)</u>
Assets (liabilities) recorded in the balance sheet:				
Assets in excess of liabilities — included in other noncurrent assets	\$ —	\$ —	\$ 4.0	\$ 3.2
Unfunded liabilities — included in other current liabilities	(1.1)	(17.9)	(0.1)	(0.4)
Unfunded liabilities — included in other noncurrent liabilities	(113.1)	(83.3)	(12.4)	(10.8)
Net amount recognized	<u>\$ (114.2)</u>	<u>\$ (101.2)</u>	<u>\$ (8.5)</u>	<u>\$ (8.0)</u>
Amounts recorded in UGI Corporation stockholders’ equity (pre-tax):				
Prior service credit	\$ (0.1)	\$ (0.1)	\$ (0.1)	\$ (0.1)
Net actuarial loss (gain)	20.8	16.7	0.8	(0.4)
Total	<u>\$ 20.7</u>	<u>\$ 16.6</u>	<u>\$ 0.7</u>	<u>\$ (0.5)</u>
Amounts recorded in regulatory assets and liabilities (pre-tax):				
Prior service cost (credit)	\$ 1.9	\$ 2.2	\$ (3.6)	\$ (4.3)
Net actuarial loss	107.4	91.3	2.6	3.6
Total	<u>\$ 109.3</u>	<u>\$ 93.5</u>	<u>\$ (1.0)</u>	<u>\$ (0.7)</u>

In Fiscal 2015, we estimate that we will amortize approximately \$10.3 of net actuarial losses, primarily associated with the U.S. Pension Plan, and \$0.2 of prior service credits from UGI stockholders’ equity and regulatory assets into retiree benefit cost.

Actuarial assumptions for our U.S. plans are described below. Assumptions for the Antargaz plans are based upon market conditions in France, Belgium and the Netherlands. The discount rate assumption was determined by selecting a hypothetical portfolio of high quality corporate bonds appropriate to provide for the projected benefit payments of the plans. The discount rate was then developed as the single rate that equates the market value of the bonds purchased to the discounted value of the plans' benefit payments. The expected rate of return on assets assumption is based on current and expected asset allocations as well as historical and expected returns on various categories of plan assets (as further described below).

	Pension Plan			Other Postretirement Benefits		
	2014	2013	2012	2014	2013	2012
Weighted-average assumptions:						
Discount rate - benefit obligations	4.60%	5.20%	4.20%	4.60%	5.10% - 5.40%	4.10% - 4.30%
Discount rate - benefit cost	5.20%	4.20%	5.30%	5.10% - 5.40%	4.10% - 4.30%	5.30%
Expected return on plan assets	7.75%	7.75%	7.75%	5.00%	5.00%	5.20%
Rate of increase in salary levels	3.25%	3.25%	3.25%	3.25%	3.25%	3.25%

The ABOs for the U.S. Pension Plan were \$499.1 and \$451.3 as of September 30, 2014 and 2013, respectively.

Net periodic pension expense and other postretirement benefit cost includes the following components:

	Pension Benefits			Other Postretirement Benefits		
	2014	2013	2012	2014	2013	2012
Service cost	\$ 9.4	\$ 11.3	\$ 9.3	\$ 0.5	\$ 0.6	\$ 0.4
Interest cost	26.1	23.8	25.1	0.9	0.9	1.1
Expected return on assets	(29.7)	(27.8)	(26.2)	(0.6)	(0.5)	(0.5)
Amortization of:						
Prior service cost (benefit)	0.3	0.3	0.2	(0.5)	(0.3)	(0.3)
Actuarial loss	7.7	15.1	8.4	—	0.4	0.3
Net benefit cost	13.8	22.7	16.8	0.3	1.1	1.0
Change in associated regulatory liabilities	—	—	—	3.7	3.3	3.2
Net benefit cost after change in regulatory liabilities	\$ 13.8	\$ 22.7	\$ 16.8	\$ 4.0	\$ 4.4	\$ 4.2

The U.S. Pension Plan's assets are held in trust. It is our general policy to fund amounts for U.S. Pension Plan benefits equal to at least the minimum required contribution set forth in applicable employee benefit laws. From time to time we may, at our discretion, contribute additional amounts. During Fiscal 2014, Fiscal 2013 and Fiscal 2012, we made cash contributions to the U.S. Pension Plan of \$19.2, \$22.4 and \$31.2 respectively. The minimum required contributions in Fiscal 2015 are not expected to be material.

UGI Utilities has established a Voluntary Employees' Beneficiary Association ("VEBA") trust to pay retiree health care and life insurance benefits by depositing into the VEBA the annual amount of postretirement benefits costs, if any, determined under GAAP. The difference between such amount and amounts included in UGI Gas' and Electric Utility's rates is deferred for future recovery from, or refund to, ratepayers. The required contributions to the VEBA during Fiscal 2015, if any, are not expected to be material.

Expected payments for pension and other postretirement welfare benefits are as follows:

	Pension Benefits	Other Postretirement Benefits
Fiscal 2015	\$ 25.6	\$ 1.1
Fiscal 2016	\$ 25.8	\$ 1.1
Fiscal 2017	\$ 27.2	\$ 1.0
Fiscal 2018	\$ 30.3	\$ 1.0
Fiscal 2019	\$ 32.6	\$ 1.0
Fiscal 2020 - 2024	\$ 175.1	\$ 4.9

The assumed domestic health care cost trend rates at September 30 are as follows:

	2014	2013
Health care cost trend rate assumed for next year	7.0%	7.5%
Rate to which the cost trend rate is assumed to decline (ultimate trend rate)	5.0%	5.0%
Fiscal year that the rate reaches the ultimate trend rate	2019	2019

A one percentage point change in the assumed health care cost trend rate would not have a material impact on the Fiscal 2014 other postretirement benefit cost or September 30, 2014, other postretirement benefit ABO.

We also sponsor unfunded and non-qualified supplemental executive retirement plans (“Supplemental Defined Benefit Plans”). At September 30, 2014 and 2013, the PBOs of these plans, including obligations for amounts held in grantor trusts, were \$38.4 and \$33.9, respectively. We recorded pre-tax costs for these plans of \$2.6 in Fiscal 2014, \$3.0 in Fiscal 2013 and \$3.0 in Fiscal 2012. These costs are not included in the tables above. Amounts recorded in UGI’s stockholders’ equity for these plans include pre-tax losses of \$10.2 and \$9.4 at September 30, 2014 and 2013, respectively, principally representing unrecognized actuarial losses. We expect to amortize approximately \$0.9 of such pre-tax actuarial losses into retiree benefit cost in Fiscal 2015. During Fiscal 2014 and Fiscal 2013, the Company made payments with respect to the Supplemental Defined Benefit Plans totaling \$0.3 and \$21.6, respectively, including \$21.0 in Fiscal 2013 to fund self-directed grantor trusts established by the Company for participants who chose to defer their Supplemental Defined Benefit Plan payment upon retirement. The total fair value of the grantor trust investment assets associated with the Supplemental Defined Benefit Plans, which are included in other assets on the Consolidated Balance Sheets, totaled \$26.6 and \$23.7 at September 30, 2014 and 2013, respectively.

U.S. Pension Plan and VEBA Assets

The assets of the U.S. Pension Plan and the VEBA are held in trust. The investment policies and asset allocation strategies for the assets in these trusts are determined by an investment committee comprising officers of UGI and UGI Utilities. The overall investment objective of the U.S. Pension Plan and the VEBA is to achieve the best long-term rates of return within prudent and reasonable levels of risk. To achieve the stated objective, investments are made principally in publicly traded, diversified equity and fixed income mutual funds and, to a much lesser extent, smallcap common stocks and UGI Common Stock.

The targets, target ranges and actual allocations for the U.S. Pension Plan and VEBA trust assets at September 30 are as follows:

U.S. Pension Plan

	Actual		Target Asset Allocation	Permitted Range
	2014	2013		
Equity investments:				
Domestic	55.6%	57.5%	52.5%	40.0% - 65.0%
International	11.3%	11.1%	12.5%	7.5% - 17.5%
Total	66.9%	68.6%	65.0%	60.0% - 70.0%
Fixed income funds & cash equivalents	33.1%	31.4%	35.0%	30.0% - 40.0%
Total	100.0%	100.0%	100.0%	

VEBA

	Actual		Target Asset Allocation	Permitted Range
	2014	2013		
Domestic equity investments	67.9%	65.6%	65.0%	60.0% - 70.0%
Fixed income funds & cash equivalents	32.1%	34.4%	35.0%	30.0% - 40.0%
Total	100.0%	100.0%	100.0%	

Domestic equity investments include investments in large-cap mutual funds indexed to the S&P 500, actively managed mid- and small-cap mutual funds, and a self-directed portfolio of smallcap common stocks. Investments in international equity mutual funds seek to track performance of companies primarily in developed markets. The fixed income investments comprise investments designed to match the performance and duration of the Barclays U.S. Aggregate Index. According to statute, the aggregate holdings of all qualifying employer securities may not exceed 10% of the fair value of trust assets at the time of purchase. UGI Common Stock represented 9.6% and 8.2% of U.S. Pension Plan assets at September 30, 2014 and 2013, respectively.

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The fair values of U.S. Pension Plan and VEBA trust assets are derived from quoted market prices as substantially all of these instruments have active markets. Cash equivalents are valued at the fund's unit net asset value as reported by the trustee. The fair values of the U.S. Pension Plan and VEBA trust assets by asset class and level within the fair value hierarchy, as described in Note 2, as of September 30, 2014 and 2013 are as follows:

	U.S. Pension Plan			
	Level 1	Level 2	Level 3	Total
September 30, 2014:				
Domestic equity investments:				
S&P 500 Index equity mutual funds	\$ 152.6	\$ —	\$ —	\$ 152.6
Small and midcap equity mutual funds	41.4	—	—	41.4
Smallcap common stocks	9.3	—	—	9.3
UGI Corporation Common Stock	42.5	—	—	42.5
Total domestic equity investments	245.8	—	—	245.8
International index equity mutual funds	49.9	—	—	49.9
Fixed income investments:				
Bond index mutual funds	141.0	—	—	141.0
Cash equivalents	—	5.7	—	5.7
Total fixed income investments	141.0	5.7	—	146.7
Total	\$ 436.7	\$ 5.7	\$ —	\$ 442.4

September 30, 2013:				
Domestic equity investments:				
S&P 500 Index equity mutual funds	\$ 141.8	\$ —	\$ —	\$ 141.8
Small and midcap equity mutual funds	54.5	—	—	54.5
UGI Corporation Common Stock	32.6	—	—	32.6
Total domestic equity investments	228.9	—	—	228.9
International index equity mutual funds	44.4	—	—	44.4
Fixed income investments:				
Bond index mutual funds	120.9	—	—	120.9
Cash equivalents	—	4.0	—	4.0
Total fixed income investments	120.9	4.0	—	124.9
Total	\$ 394.2	\$ 4.0	\$ —	\$ 398.2

	VEBA			
	Level 1	Level 2	Level 3	Total
September 30, 2014:				
S&P 500 Index equity mutual fund	\$ 8.7	\$ —	\$ —	\$ 8.7
Bond index mutual fund	3.7	—	—	3.7
Cash equivalents	—	0.4	—	0.4
Total	\$ 12.4	\$ 0.4	\$ —	\$ 12.8

September 30, 2013:				
S&P 500 Index equity mutual fund	\$ 7.7	\$ —	\$ —	\$ 7.7
Bond index mutual fund	3.8	—	—	3.8
Cash equivalents	—	0.2	—	0.2
Total	\$ 11.5	\$ 0.2	\$ —	\$ 11.7

The expected long-term rates of return on U.S. Pension Plan and VEBA trust assets have been developed using a best estimate of expected returns, volatilities and correlations for each asset class. The estimates are based on historical capital market performance data and future expectations provided by independent consultants. Future expectations are determined by using simulations that provide a wide range of scenarios of future market performance. The market conditions in these simulations consider the long-term relationships between equities and fixed income as well as current market conditions at the start of the simulation. The expected rate begins with a risk-free rate of return with other factors being added such as inflation, duration, credit spreads and equity risk premiums. The rates of return derived from this process are applied to our target asset allocation to develop a reasonable return assumption.

Defined Contribution Plans

We sponsor 401(k) savings plans for eligible employees of UGI and certain of UGI's domestic subsidiaries. Generally, participants in these plans may contribute a portion of their compensation on either a before-tax basis, or on both a before-tax and after-tax basis. These plans also provide for employer matching contributions at various rates. The cost of benefits under the savings plans totaled \$14.7 in Fiscal 2014, \$14.0 in Fiscal 2013 and \$13.7 in Fiscal 2012. The Company also sponsors certain nonqualified supplemental defined contribution executive retirement plans. These plans generally provide supplemental benefits to certain executives that would otherwise be provided under retirement plans but are prohibited due to limitations imposed by the Internal Revenue Code. The Company makes payments to self-directed grantor trusts with respect to these supplemental defined contribution plans. Such payments during Fiscal 2014, Fiscal 2013 or Fiscal 2012 were not material. At September 30, 2014 and 2013, the total fair values of the grantor trust investment assets, which amounts are included in other noncurrent assets on the Consolidated Balance Sheets, was \$3.4.

Note 9 — Utility Regulatory Assets and Liabilities and Regulatory Matters

The following regulatory assets and liabilities associated with Utilities are included in our accompanying balance sheets at September 30:

	2014	2013
Regulatory assets:		
Income taxes recoverable	\$ 110.7	\$ 106.1
Underfunded pension and postretirement plans	110.1	94.5
Environmental costs	14.6	17.1
Deferred fuel and power costs	11.8	8.3
Removal costs, net	16.8	13.3
Other	4.2	5.6
Total regulatory assets	<u>\$ 268.2</u>	<u>\$ 244.9</u>
Regulatory liabilities (a):		
Postretirement benefits	\$ 18.6	\$ 16.5
Environmental overcollections	0.3	2.6
Deferred fuel and power refunds	0.3	8.3
State tax benefits — distribution system repairs	10.1	8.4
Other	3.2	1.5
Total regulatory liabilities	<u>\$ 32.5</u>	<u>\$ 37.3</u>

(a) Regulatory liabilities are recorded in other current and other noncurrent liabilities in the Consolidated Balance Sheets.

Income taxes recoverable. This regulatory asset is the result of recording deferred tax liabilities pertaining to temporary tax differences principally as a result of the pass through to ratepayers of accelerated tax depreciation for state income tax purposes, and the flow through of accelerated tax depreciation for federal income tax purposes for certain years prior to 1981. These deferred taxes have been reduced by deferred tax assets pertaining to utility deferred investment tax credits. Utilities has recorded regulatory income tax assets related to these deferred tax liabilities representing future revenues recoverable through the ratemaking process over the average remaining depreciable lives of the associated property ranging from 1 to approximately 65 years.

Underfunded pension and other postretirement plans. This regulatory asset represents the portion of prior service cost and net actuarial losses associated with pension and other postretirement benefits which are probable of being recovered through future rates based upon established regulatory practices. These regulatory assets are adjusted annually or more frequently under certain circumstances when the funded status of the plans is recorded in accordance with GAAP. These costs are amortized over the average remaining future service lives of plan participants.

Environmental costs. Environmental costs represent amounts actually spent by UGI Gas to clean up sites in Pennsylvania as well as the portion of estimated probable future environmental remediation and investigation costs principally at manufactured gas plant (“MGP”) sites that CPG and PNG expect to incur in conjunction with remediation consent orders and agreements with the Pennsylvania Department of Environmental Protection (see Note 16). Consistent with prior ratemaking treatment, UGI Gas anticipates it will recover in rates, through future base rate proceedings, a five-year average of prudently incurred remediation costs at Pennsylvania sites and UGI Gas is currently amortizing such costs over a five-year period. PNG and CPG are currently recovering and expect to continue to recover environmental remediation and investigation costs in base rate revenues. At September 30, 2014, the period over which PNG and CPG expect to recover these costs will depend upon future remediation activity.

Deferred fuel and power — costs and refunds. Gas Utility’s and Electric Utility’s tariffs contain clauses which permit recovery of all prudently incurred purchased gas and power costs through the application of purchased gas cost (“PGC”) rates in the case of Gas Utility and default service (“DS”) tariffs in the case of Electric Utility. The clauses provide for periodic adjustments to PGC and DS rates for differences between the total amount of purchased gas and electric generation supply costs collected from customers and recoverable costs incurred. Net undercollected costs are classified as a regulatory asset and net overcollections are classified as a regulatory liability.

Gas Utility uses derivative instruments to reduce volatility in the cost of gas it purchases for firm- residential, commercial and industrial (“retail core-market”) customers. Realized and unrealized gains or losses on natural gas derivative instruments are included in deferred fuel costs or refunds. Net unrealized losses on such contracts at September 30, 2014 and 2013 were \$1.4 and \$1.7, respectively.

Electric Utility enters into forward electricity purchase contracts to meet a substantial portion of its electricity supply needs. Because most of these contracts currently do not qualify for the normal purchases and normal sales exception under GAAP related to derivative instruments, these electricity supply contracts are recognized on the balance sheet at fair value with an associated adjustment to regulatory assets or liabilities in accordance with GAAP related to rate-regulated entities. At September 30, 2014 and 2013, the fair values of Electric Utility’s electricity supply contracts were gains (losses) of \$0.3 and \$(4.8), respectively. These amounts are reflected in current derivative assets and current derivative liabilities on the Consolidated Balance Sheets with equal and offsetting amounts reflected in deferred fuel and power costs and refunds in the table above.

In order to reduce volatility associated with a substantial portion of its electric transmission congestion costs, Electric Utility obtains financial transmission rights (“FTRs”). FTRs are derivative instruments that entitle the holder to receive compensation for electricity transmission congestion charges when there is insufficient electricity transmission capacity on the electric transmission grid. Because Electric Utility is entitled to fully recover its DS costs, realized and unrealized gains or losses on FTRs are included in deferred fuel and power costs or deferred fuel and power refunds. Unrealized gains or losses on FTRs at September 30, 2014 and 2013, were not material.

Removal costs, net. This regulatory asset represents costs incurred, net of salvage, associated with the retirement of depreciable utility plant. Consistent with prior ratemaking treatment, UGI Utilities expects to recover these costs over 5 years.

Postretirement benefits. Gas Utility and Electric Utility are recovering ongoing postretirement benefit costs at amounts permitted by the PUC in prior base rate proceedings. With respect to UGI Gas and Electric Utility, the difference between the amounts recovered through rates and the actual costs incurred in accordance with accounting for postretirement benefits are being deferred for future refund to or recovery from ratepayers. Such amounts are reflected in regulatory liabilities in the table above. In addition, this regulatory liability includes the portion of prior service credits and net actuarial gains associated with certain other postretirement benefit plans.

Environmental overcollections. This regulatory liability represents the difference between amounts recovered in rates and actual costs incurred (net of insurance proceeds) associated with the terms of a consent order agreement between CPG and the Pennsylvania Department of Environmental Protection (“DEP”) to remediate certain gas plant sites.

State income tax benefits — distribution system repairs. This regulatory liability represents Pennsylvania state income tax benefits, net of federal income tax expense, resulting from the deduction for income tax purposes of repair and maintenance costs associated with Gas Utility or Electric Utility assets which are capitalized for regulatory and GAAP reporting. The tax benefits associated with these repair and maintenance deductions will be reflected as a reduction to income tax expense over the remaining tax lives of the related book assets.

Other. Other regulatory assets comprise a number of items including, among others, deferred postretirement costs, deferred asset retirement costs, deferred rate case expenses, customer choice implementation costs and deferred software development costs. At September 30, 2014, UGI Utilities expects to recover these costs over periods of approximately 1 to 20 years.

UGI Utilities' regulatory liabilities relating to postretirement benefits, environmental overcollections and state tax benefits — distribution system repairs are included in other noncurrent liabilities on the Consolidated Balance Sheets. UGI Utilities does not recover a rate of return on its regulatory assets.

Other Regulatory Matters

Transfers of Assets. On February 1, 2012, CPG filed an application with the PUC for review and approval of the transfer of an 11-mile natural gas pipeline, related facilities and rights of way located in Delmar Township, Pennsylvania ("TL-96 line") to Energy Services. The PUC approved the transfer and, in April 2013, the TL-96 line was dividended to UGI and subsequently contributed to Energy Services. The net book value of the TL-96 line was approximately \$2.6.

Note 10 — Inventories

Inventories comprise the following at September 30:

	2014	2013
Non-utility LPG and natural gas	\$ 283.6	\$ 230.0
Gas Utility natural gas	82.7	78.9
Materials, supplies and other	56.7	56.6
Total inventories	<u>\$ 423.0</u>	<u>\$ 365.5</u>

At September 30, 2014, UGI Utilities is a party to four principal storage contract administrative agreements ("SCAAs") having terms of one to three years. Pursuant to SCAAs, UGI Utilities has, among other things, released certain storage and transportation contracts for the terms of the SCAAs. UGI Utilities also transferred certain associated storage inventories upon commencement of the SCAAs, will receive a transfer of storage inventories at the end of the SCAAs, and makes payments associated with refilling storage inventories during the terms of the SCAAs. The historical cost of natural gas storage inventories released under the SCAAs, which represents a portion of Gas Utility's total natural gas storage inventories, and any exchange receivable (representing amounts of natural gas inventories used by the other parties to the agreement but not yet replenished), are included in the caption "Gas Utility natural gas" in the table above.

As of September 30, 2014, UGI Utilities has principal SCAAs with Energy Services and a non-affiliate. The carrying values of gas storage inventories released under SCAAs with non-affiliates at September 30, 2014 and 2013, comprising 3.9 billion cubic feet ("bcf") and 0.6 bcf of natural gas, was \$16.8 and \$2.4, respectively. Effective November 1, 2014, UGI Utilities entered into a new SCAA with Energy Services having a term of one year.

Note 11 — Property, Plant and Equipment

Property, plant and equipment comprise the following at September 30:

	2014	2013
Utilities:		
Distribution	\$ 2,294.6	\$ 2,162.6
Transmission	88.2	86.6
General and other, including work in process	185.7	178.6
Total Utilities	2,568.5	2,427.8
Non-utility:		
Land	170.2	178.4
Buildings and improvements	317.4	308.1
Transportation equipment	288.4	273.8
Equipment, primarily cylinders and tanks	3,042.7	3,161.9
Electric generation	273.4	264.8
Pipeline and related assets	162.3	22.5
Other, including work in process	353.8	403.2
Total non-utility	4,608.2	4,612.7
Total property, plant and equipment	\$ 7,176.7	\$ 7,040.5

Note 12 — Goodwill and Intangible Assets

Changes in the carrying amount of goodwill by reportable segment are as follows:

	AmeriGas Propane	Gas Utility	Energy Services	UGI International		Corporate & Other	Total
				Antargaz	Flaga & Other		
Balance September 30, 2012	\$ 1,919.2	\$ 182.1	\$ 2.8	\$ 612.0	\$ 95.2	\$ 7.0	\$ 2,818.3
Acquisitions	12.5	—	—	—	—	—	12.5
Correcting adjustment	9.3	—	—	—	—	—	9.3
Foreign currency translation	—	—	—	31.7	1.9	—	33.6
Balance September 30, 2013	1,941.0	182.1	2.8	643.7	97.1	7.0	2,873.7
Acquisitions	6.8	—	2.8	—	—	—	9.6
Purchase accounting adjustments	(2.7)	—	—	—	0.9	—	(1.8)
Foreign currency translation	—	—	—	(42.5)	(5.6)	—	(48.1)
Balance September 30, 2014	\$ 1,945.1	\$ 182.1	\$ 5.6	\$ 601.2	\$ 92.4	\$ 7.0	\$ 2,833.4

The correcting adjustment to goodwill during Fiscal 2013 primarily reflects a correcting adjustment associated with the Heritage Acquisition.

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Intangible assets comprise the following at September 30:

	2014	2013
Customer relationships, noncompete agreements and other	\$ 712.0	\$ 704.8
Trademarks and tradenames (not subject to amortization)	128.2	130.2
Gross carrying amount	840.2	835.0
Accumulated amortization	(263.8)	(227.1)
Intangible assets, net	\$ 576.4	\$ 607.9

Amortization expense of intangible assets was \$48.2, \$52.8 and \$44.5 for Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively. Estimated amortization expense of intangible assets during the next five fiscal years is as follows: Fiscal 2015 — \$51.9; Fiscal 2016 — \$44.7; Fiscal 2017 — \$37.9; Fiscal 2018 — \$36.4; Fiscal 2019 — \$34.7.

Note 13 — Series Preferred Stock

UGI has 10,000,000 shares of UGI Series Preferred Stock authorized for issuance, including both series subject to and series not subject to mandatory redemption. We had no shares of UGI Series Preferred Stock outstanding at September 30, 2014 or 2013.

UGI Utilities has 2,000,000 shares of UGI Utilities Series Preferred Stock authorized for issuance, including both series subject to and series not subject to mandatory redemption. At September 30, 2014 and 2013, there were no shares of UGI Utilities Series Preferred Stock outstanding.

Note 14 — Common Stock and Equity-Based Compensation
Common Stock

On January 30, 2014, the Company's Board of Directors authorized the repurchase of up to 10,000,000 shares of UGI Corporation Common Stock over a four-year period. Pursuant to such authorization, during Fiscal 2014, the Company purchased and placed in treasury stock 1,227,654 shares at a total cost of \$39.8.

UGI Common Stock share activity for Fiscal 2012, Fiscal 2013 and Fiscal 2014 follows:

	Issued	Treasury	Outstanding
Balance, September 30, 2011	173,260,641	(5,506,608)	167,754,033
Issued:			
Employee and director plans	176,250	1,237,388	1,413,638
Dividend reinvestment plan	—	157,491	157,491
Shares reacquired - employee and director plans	—	(394,530)	(394,530)
Balance, September 30, 2012	173,436,891	(4,506,259)	168,930,632
Issued:			
Employee and director plans	238,800	3,933,507	4,172,307
Dividend reinvestment plan	—	93,253	93,253
Shares reacquired - employee and director plans	—	(1,552,905)	(1,552,905)
Balance, September 30, 2013	173,675,691	(2,032,404)	171,643,287
Issued:			
Employee and director plans	94,950	2,928,140	3,023,090
Repurchases of Common Stock	—	(1,227,654)	(1,227,654)
Shares reacquired - employee and director plans	—	(1,164,942)	(1,164,942)
Balance, September 30, 2014	173,770,641	(1,496,860)	172,273,781

As a result of the January 2012 issuance of 29,567,362 AmeriGas Partners Common Units to ETP in conjunction with the Heritage Acquisition and related General Partner Common Unit transactions (see Note 4), and the March 2012 issuance of 7,000,000

AmeriGas Partners Common Units pursuant to AmeriGas Partners' public offering (see Note 15), the Company recorded a \$196.3 increase in UGI Corporation stockholders' equity (which amount is net of deferred income taxes) and an associated \$321.4 pre-tax decrease in noncontrolling interests equity during Fiscal 2012.

Equity-Based Compensation

The Company grants equity-based awards to employees and non-employee directors comprising UGI stock options, UGI Common stock-based equity instruments and AmeriGas Partners Common Unit-based equity instruments as further described below. We recognized total pre-tax equity-based compensation expense of \$25.8 (\$16.6 after-tax), \$17.6 (\$11.4 after-tax) and \$14.5 (\$8.7 after-tax) in Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively.

UGI Equity-Based Compensation Plans and Awards. On January 24, 2013, the Company's shareholders approved the UGI Corporation 2013 Omnibus Incentive Compensation Plan (the "2013 OICP"). The 2013 OICP succeeds the UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006 (the "2004 OECP") for awards granted on or after January 24, 2013. The 2004 OECP will continue in effect but all future grants issued pursuant to it will be solely in the form of options to acquire Common Stock. Under the 2013 OICP, we may grant options to acquire shares of UGI Common Stock, stock appreciation rights ("SARs"), UGI Units (comprising "Stock Units" and "UGI Performance Units"), other equity-based awards and cash to key employees and non-employee directors. The exercise price for options may not be less than the fair market value on the grant date. Awards granted under the 2013 OICP may vest immediately or ratably over a period of years, and stock options can be exercised no later than ten years from the grant date. In addition, the 2013 OICP provides that awards of UGI Units may also provide for the crediting of dividend equivalents to participants' accounts. Except in the event of retirement, death or disability, each grant, unless paid, will terminate when the participant ceases to be employed. There are certain change of control and retirement eligibility conditions that, if met, generally result in accelerated vesting or elimination of further service requirements.

Under the 2004 OECP, we could grant options to acquire shares of UGI Common Stock, UGI Units and other equity-based awards to key employees and non-employee directors through January 23, 2013 (except with respect to the granting of stock option awards as previously mentioned). Under the 2004 OECP, the exercise price for stock options could not be less than the fair market value on the grant date. Awards granted under the 2004 OECP could vest immediately or ratably over a period of years, and stock options could be exercised no later than ten years from the date of grant. In addition, the 2004 OECP provided that the awards of UGI Units could include the crediting of dividend equivalents to participants' accounts.

Under the 2013 OICP, awards representing up to 21,750,000 shares of UGI Common Stock may be granted. Dividend equivalents on UGI Unit awards to employees will be paid in cash. Dividend equivalents on non-employee director awards are accumulated in additional Stock Units. UGI Unit awards granted to employees and non-employee directors are settled in shares of Common Stock and cash. UGI Unit awards granted to Antargaz employees are settled in shares of Common Stock. With respect to UGI Performance Unit awards, 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. It is currently our practice to issue treasury shares to satisfy substantially all option exercises and UGI Unit awards. Beginning during Fiscal 2012, options may be net exercised whereby shares equal to the option price and grantee's minimum applicable payroll tax withholding are withheld from the number of shares payable ("net exercise"). We record shares withheld pursuant to a net exercise as shares reacquired.

UGI Stock Option Awards. Stock option transactions under equity-based compensation plans during Fiscal 2012, Fiscal 2013 and Fiscal 2014 follow:

	Shares	Weighted Average Option Price	Total Intrinsic Value	Weighted Average Contract Term (Years)
Shares under option — September 30, 2011	11,509,769	\$ 17.03	\$ 15.1	6.2
Granted	2,262,075	\$ 19.51		
Cancelled	(482,400)	\$ 18.49		
Exercised	(1,202,786)	\$ 13.95	\$ 7.2	
Shares under option — September 30, 2012	12,086,658	\$ 17.75	\$ 41.4	6.1
Granted	2,275,350	\$ 22.38		
Cancelled	(134,754)	\$ 20.34		
Exercised	(4,033,302)	\$ 16.39	\$ 35.4	
Shares under option — September 30, 2013	10,193,952	\$ 19.28	\$ 69.6	6.8
Granted	1,665,600	\$ 27.93		
Cancelled	(86,707)	\$ 22.76		
Exercised	(2,815,555)	\$ 17.44	\$ 37.4	
Shares under option — September 30, 2014	8,957,290	\$ 21.44	\$ 113.3	7.0
Options exercisable — September 30, 2012	7,976,547	\$ 16.88		
Options exercisable — September 30, 2013	5,871,091	\$ 17.95		
Options exercisable — September 30, 2014	5,073,347	\$ 19.45	\$ 74.2	6.0
Options not exercisable — September 30, 2014	3,883,943	\$ 24.02	\$ 39.1	8.5

Cash received from stock option exercises and associated tax benefits were \$22.2 and \$13.0, \$30.8 and \$12.1, and \$9.4 and \$2.3 in Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively. As of September 30, 2014, there was \$6.5 of unrecognized compensation cost associated with unvested stock options that is expected to be recognized over a weighted-average period of 1.7 years.

The following table presents additional information relating to stock options outstanding and exercisable at September 30, 2014:

	Range of exercise prices			
	Under \$15.00	\$15.01 - \$20.00	\$20.01 - \$25.00	Over \$25.00
Options outstanding at September 30, 2014:				
Number of options	102,000	3,452,480	3,500,910	1,901,900
Weighted average remaining contractual life (in years)	1.4	5.7	7.2	9.2
Weighted average exercise price	\$ 14.47	\$ 18.15	\$ 21.45	\$ 27.74
Options exercisable at September 30, 2014:				
Number of options	102,000	2,727,509	2,077,840	165,998
Weighted average exercise price	\$ 14.47	\$ 17.81	\$ 21.27	\$ 26.85

UGI Stock Option Fair Value Information. The per share weighted-average fair value of stock options granted under our option plans was \$4.97 in Fiscal 2014, \$3.29 in Fiscal 2013 and \$2.87 in Fiscal 2012. These amounts were determined using a Black-Scholes option pricing model which values options based on the stock price at the grant date, the expected life of the option, the estimated volatility of the stock, expected dividend payments and the risk-free interest rate over the expected life of the option. The expected life of option awards represents the period of time during which option grants are expected to be outstanding and is derived from historical exercise patterns. Expected volatility is based on historical volatility of the price of UGI's Common

Stock. Expected dividend yield is based on historical UGI dividend rates. The risk free interest rate is based on U.S. Treasury bonds with terms comparable to the options in effect on the date of grant.

The assumptions we used for valuing option grants during Fiscal 2014, Fiscal 2013 and Fiscal 2012 are as follows:

	2014	2013	2012
Expected life of option	5.75 years	5.75 years	5.75 years
Weighted average volatility	24.3%	24.9%	24.7%
Weighted average dividend yield	2.9%	3.6%	3.5%
Expected volatility	23.7% - 24.4%	24.4% - 24.9%	24.7%
Expected dividend yield	2.7% - 2.9%	3.2% - 3.7%	3.3% - 3.7%
Risk free rate	1.8% - 2.0%	0.8% - 1.7%	0.8% - 1.1%

UGI Unit Awards. UGI Stock Unit and UGI Performance Unit awards entitle the grantee to shares of UGI Common Stock or cash once the service condition is met and, with respect to UGI Performance Unit awards, subject to market performance conditions. UGI Performance Unit grant recipients are awarded a target number of Performance Units. The number of UGI Performance Units ultimately paid at the end of the performance period (generally three years) may be higher or lower than the target amount, or even zero, based on UGI's Total Shareholder Return ("TSR") percentile rank relative to (i) companies in the Standard & Poor's Utilities Index for grants prior to January 1, 2011 and (ii) the Russell Midcap Utility Index, excluding telecommunication companies, for grants on or after January 1, 2011 (each a respective "UGI comparator group"). For grants issued on or after January 1, 2013, grantees may receive 0% to 200% of the target award granted. For such grants, if UGI's TSR ranks below the 25th percentile compared to the UGI comparator group, the employee will not be paid. At the 25th percentile, the employee will be paid an award equal to 25% of the target award; at the 40th percentile, 70%; at the 50th percentile, 100%; and at the 90th percentile and above, 200%. For grants issued prior to January 1, 2013, grantees may receive 0% to 200% of the target award granted. For such grants, if UGI's TSR ranks below the 40th percentile compared to the UGI comparator group, the employee will not be paid. At the 40th percentile, the employee will be paid an award equal to 50% of the target award; at the 50th percentile, 100%; and at the 100th percentile, 200%. The actual amount of the award is interpolated between these percentile rankings. Dividend equivalents are paid in cash only on UGI Performance Units that eventually vest.

The fair value of UGI Stock Units on the grant date is equal to the market price of UGI Stock on the grant date plus the fair value of dividend equivalents if applicable. Under GAAP, UGI Performance Units are equity awards with a market-based condition which, if settled in shares, results in the recognition of compensation cost over the requisite employee service period regardless of whether the market-based condition is satisfied. The fair values of UGI Performance Units are estimated using a Monte Carlo valuation model. The fair value associated with the target award is accounted for as equity and the fair value of the award over the target, as well as all dividend equivalents, is accounted for as a liability. The expected term of the UGI Performance Unit awards is three years based on the performance period. Expected volatility is based on the historical volatility of UGI Common Stock over a three-year period. The risk-free interest rate is based on the yields on U.S. Treasury bonds at the time of grant. Volatility for all companies in the UGI comparator groups is based on historical volatility.

The following table summarizes the weighted average assumptions used to determine the fair value of UGI Performance Unit awards and related compensation costs:

	Grants Awarded in Fiscal		
	2014	2013	2012
Risk free rate	0.8%	0.4%	0.4%
Expected life	3 years	3 years	3 years
Expected volatility	20.3%	21.1%	22.2%
Dividend yield	2.7%	3.3%	3.5%

The weighted-average grant date fair value of UGI Performance Unit awards was estimated to be \$32.32 for Units granted in Fiscal 2014, \$25.31 for Units granted in Fiscal 2013 and \$18.17 for Units granted in Fiscal 2012.

UGI Corporation and Subsidiaries
Notes to Consolidated Financial Statements

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

The following table summarizes UGI Unit award activity for Fiscal 2014:

	Total		Vested		Non-Vested	
	Number of UGI Units	Weighted Average Grant Date Fair Value (per Unit)	Number of UGI Units	Weighted Average Grant Date Fair Value (per Unit)	Number of UGI Units	Weighted Average Grant Date Fair Value (per Unit)
September 30, 2013	1,380,902	\$ 18.35	822,975	\$ 15.45	557,927	\$ 22.62
UGI Performance Units:						
Granted	189,450	\$ 32.32	9,570	\$ 32.02	179,880	\$ 32.33
Forfeited	(7,200)	\$ 24.95	—	\$ —	(7,200)	\$ 24.95
Vested	—	\$ —	205,282	\$ 21.15	(205,282)	\$ 21.15
Unit awards paid	(267,146)	\$ 22.17	(267,146)	\$ 22.17	—	\$ —
UGI Stock Units:						
Granted (a)	44,814	\$ 27.41	43,689	\$ 27.35	1,125	\$ 29.84
Vested	—	\$ —	1,500	\$ 22.29	(1,500)	\$ 22.29
Unit awards paid	(34,639)	\$ 14.41	(34,639)	\$ 14.41	—	\$ —
September 30, 2014	1,306,181	\$ 20.58	781,231	\$ 16.60	524,950	\$ 26.51

(a) Generally, shares granted under UGI Stock Unit awards are paid approximately 70% in shares. UGI Stock Unit awards granted in Fiscal 2013 and Fiscal 2012 were 51,038 and 63,668, respectively.

During Fiscal 2014, Fiscal 2013 and Fiscal 2012, the Company paid UGI Performance Unit and UGI Stock Unit awards in shares and cash as follows:

	2014	2013	2012
UGI Performance Unit awards:			
Number of original awards granted	331,038	328,025	316,125
Fiscal year granted	2011	2010	2009
Payment of awards:			
Shares of UGI Common Stock issued	174,168	97,622	—
Cash paid	\$ 3.1	\$ 1.6	\$ —
UGI Stock Unit awards:			
Number of original awards granted	34,639	54,269	49,347
Payment of awards:			
Shares of UGI Common Stock issued	22,604	35,274	32,636
Cash paid	\$ 0.4	\$ 0.5	\$ 0.2

During Fiscal 2014, Fiscal 2013 and Fiscal 2012, we granted UGI Unit awards representing 234,264, 381,900 and 359,768 shares, respectively, having weighted-average grant date fair values per Unit of \$31.38, \$24.87 and \$18.45, respectively.

As of September 30, 2014, there was a total of approximately \$8.8 of unrecognized compensation cost associated with 1,306,181 UGI Unit awards outstanding that is expected to be recognized over a weighted-average period of 1.7 years. The total fair values of UGI Units that vested during Fiscal 2014, Fiscal 2013 and Fiscal 2012 were \$8.7, \$6.0 and \$3.6, respectively. As of September 30, 2014 and 2013, total liabilities of \$18.5 and \$8.0, respectively, associated with UGI Unit awards are reflected in employee compensation and benefits accrued and other noncurrent liabilities in the Consolidated Balance Sheets.

At September 30, 2014, 17,499,524 shares of Common Stock were available for future grants under the 2013 OICP, and up to 172,646 shares of Common Stock were available for future grants of stock options under the 2004 OECF.

AmeriGas Partners Equity-Based Compensation Plans and Awards. Under the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. (“2010 Propane Plan”), the General Partner may award to employees and non-employee directors grants of AmeriGas Partners Units (comprising “AmeriGas Stock Units” and “AmeriGas Performance Units”), options, unit appreciation rights and other Common Unit-based awards. The total aggregate number of Common Units that may be issued under the 2010 Propane Plan is 2,800,000. The exercise price for options may not be less than the fair market value on the date of grant. Awards granted under the 2010 Propane Plan may vest immediately or ratably over a period of years, and options can be exercised no later than ten years from the grant date. In addition, the 2010 Propane Plan provides that Common Unit-based awards may also provide for the crediting of Common Unit distribution equivalents to participants’ accounts.

AmeriGas Stock Unit and AmeriGas Performance Unit awards entitle the grantee to AmeriGas Partners Common Units or cash once the service condition is met and, with respect to AmeriGas Performance Units, subject to market performance conditions. Recipients of AmeriGas Performance Unit awards are awarded a target number of AmeriGas Performance Units. The number of AmeriGas Performance Units ultimately paid at the end of the performance period (generally three years) may be higher or lower than the target number, or it may be zero, based upon AmeriGas Partners’ Total Unitholder Return (“TUR”) percentile rank relative to entities in a master limited partnership peer group (“Alerian MLP Group”) and, for certain AmeriGas Performance Unit awards granted beginning in January 2014, based upon AmeriGas Partners’ TUR relative to the two other publicly traded propane master limited partnerships in the Alerian MLP Group (“Propane MLP Group”).

With respect to AmeriGas Performance Unit awards subject to measurement compared with the Alerian MLP Group, grantees may receive from 0% to 200% of the target award granted. For grants issued on or after January 1, 2013, if AmeriGas Partners’ TUR is below the 25th percentile compared to the peer group, the grantee will not be paid. At the 25th percentile, the employee will be paid an award equal to 25% of the target award; at the 40th percentile, 70%; at the 50th percentile, 100%; at the 60th percentile, 125%; at the 75th percentile, 162.5%; and at the 90th percentile or above, 200%. For grants issued before January 1, 2013, grantees of AmeriGas Performance Units will not be paid if AmeriGas Partners’ TUR is below the 40th percentile of the Alerian MLP Group. At the 40th percentile, the grantee will be paid an award equal to 50% of the target award; at the 50th percentile, 100%; at the 60th percentile, 125%; at the 75th percentile, 150%; at the 90th percentile, 175%; and at the 100th percentile, 200%. The actual amount of the award is interpolated between these percentile rankings.

With respect to AmeriGas Performance Unit awards subject to measurement compared with the Propane MLP Group, grantees will receive 150% of the target award if AmeriGas Partners’ TUR exceeds the TUR of all the other members in the Propane MLP Group. Otherwise there will be no payout of such AmeriGas Performance Units. If one of the other two members of the Propane MLP Group ceases to exist as a publicly traded company or declares bankruptcy (“MLP Event”), the ultimate amount of such AmeriGas Performance Unit awards to be issued, and the amount of distribution equivalents to be paid, will depend upon AmeriGas Partners’ TUR rank relative to (1) the Alerian MLP Group for the entire performance period; (2) the Alerian MLP Group for the entire performance period and the Propane MLP Group through the date of the MLP Event; or (3) the Propane MLP Group through the date of the MLP Event.

Any Common Unit distribution equivalents earned are paid in cash. Generally, except in the event of retirement, death or disability, each grant, unless paid, will terminate when the participant ceases to be employed by the General Partner. There are certain change of control and retirement eligibility conditions that, if met, generally result in accelerated vesting or elimination of further service requirements.

Under GAAP, AmeriGas Performance Units are equity awards with a market-based condition which, if settled in Common Units, results in the recognition of compensation cost over the requisite employee service period regardless of whether the market-based condition is satisfied. The fair values of AmeriGas Performance Units are estimated using a Monte Carlo valuation model. The fair value associated with the target award will be paid in Common Units, is accounted for as equity and the fair value of the award over the target, as well as all Common Unit distribution equivalents, which will be paid in cash, is accounted for as a liability. The expected term of the AmeriGas Performance Unit awards is three years based on the performance period. Expected volatility is based on the historical volatility of Common Units over a three-year period. The risk-free interest rate is based on the rates on U.S. Treasury bonds at the time of grant. Volatility for all limited partnerships in the peer group is based on historical volatility.

The following table summarizes the weighted-average assumptions used to determine the fair value of AmeriGas Performance Unit awards and related compensation costs:

	Grants Awarded in Fiscal		
	2014	2013	2012
Risk-free rate	0.8%	0.4%	0.4%
Expected life	3 years	3 years	3 years
Expected volatility	21.1%	20.7%	23.0%
Dividend yield	7.5%	8.2%	6.4%

The General Partner granted awards under the 2010 Propane Plan representing 86,458, 65,136 and 248,818 Common Units in Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively, having weighted-average grant date fair values per Common Unit subject to award of \$43.34, \$42.58 and \$43.22, respectively. At September 30, 2014, 2,443,808 Common Units were available for future award grants under the 2010 Propane Plan.

The following table summarizes AmeriGas Common Unit-based award activity for Fiscal 2014:

	Total		Vested		Non-Vested	
	Number of AmeriGas Partners Common Units Subject to Award	Weighted Average Grant Date Fair Value (per Unit)	Number of AmeriGas Partners Common Units Subject to Award	Weighted Average Grant Date Fair Value (per Unit)	Number of AmeriGas Partners Common Units Subject to Award	Weighted Average Grant Date Fair Value (per Unit)
September 30, 2013	224,167	\$ 47.88	47,715	\$ 47.92	176,452	\$ 47.87
AmeriGas Performance Units:						
Granted	53,800	\$ 41.50	633	\$ 41.37	53,167	\$ 41.50
Forfeited	(8,150)	\$ 45.96	—	\$ —	(8,150)	\$ 45.96
Vested	—	\$ —	15,319	\$ 53.93	(15,319)	\$ 53.93
Performance criteria not met	(31,317)	\$ 54.51	(31,317)	\$ 54.51	—	\$ —
AmeriGas Stock Units:						
Granted	32,658	\$ 46.37	15,936	\$ 48.00	16,722	\$ 44.81
Forfeited	(7,783)	\$ 51.10	—	\$ —	(7,783)	\$ (51.10)
Vested	—	\$ —	52,061	\$ 47.58	(52,061)	\$ 47.58
Awards paid	(63,140)	\$ 48.00	(63,140)	\$ 48.00	—	\$ —
September 30, 2014	200,235	\$ 44.82	37,207	\$ 44.27	163,028	\$ 44.95

During Fiscal 2014, Fiscal 2013 and Fiscal 2012, the Partnership paid AmeriGas Performance Unit and AmeriGas Stock Unit awards in Common Units and cash as follows:

	2014	2013	2012
AmeriGas Performance Unit awards:			
Number of Common Units subject to original awards granted	41,251	48,150	53,600
Fiscal year granted	2011	2010	2009
Payment of awards:			
AmeriGas Partners Common Units issued	—	—	—
Cash paid	\$ —	\$ —	\$ —
AmeriGas Stock Unit awards:			
Number of Common Units subject to original awards granted	72,023	35,934	67,246
Payment of awards:			
AmeriGas Partners Common Units issued	40,842	23,192	44,016
Cash paid	\$ 1.4	\$ 0.6	\$ 1.0

As of September 30, 2014, there was a total of approximately \$2.9 of unrecognized compensation cost associated with 200,235 Common Units subject to award that is expected to be recognized over a weighted-average period of 1.7 years. The total fair values of Common Unit-based awards that vested during Fiscal 2014, Fiscal 2013 and Fiscal 2012 were \$4.1, \$2.8 and \$5.1, respectively. As of September 30, 2014 and 2013, total liabilities of \$1.5 and \$1.1 associated with Common Unit-based awards are reflected in employee compensation and benefits accrued and other noncurrent liabilities in the Consolidated Balance Sheets.

Note 15 — Partnership Distributions and Common Unit Offerings

The Partnership makes distributions to its partners approximately 45 days after the end of each fiscal quarter in a total amount equal to its Available Cash (as defined in the Partnership Agreement) for such quarter. Available Cash generally means:

1. all cash on hand at the end of such quarter,
2. plus all additional cash on hand as of the date of determination resulting from borrowings after the end of such quarter,
3. less the amount of cash reserves established by the General Partner in its reasonable discretion.

The General Partner may establish reserves for the proper conduct of the Partnership's business and for distributions during the next four quarters.

Distributions of Available Cash are made 98% to limited partners and 2% to the General Partner (representing a 1% General Partner interest in AmeriGas Partners and 1.01% interest in AmeriGas OLP) until Available Cash exceeds the Minimum Quarterly Distribution of \$0.55 and the First Target Distribution of \$0.055 per Common Unit (or a total of \$0.605 per Common Unit). When Available Cash exceeds \$0.605 per Common Unit in any quarter, the General Partner will receive a greater percentage of the total Partnership distribution (the "incentive distribution") but only with respect to the amount by which the distribution per Common Unit to limited partners exceeds \$0.605.

During Fiscal 2014, Fiscal 2013 and Fiscal 2012, the Partnership made quarterly distributions to Common Unitholders in excess of \$0.605 per limited partner unit. As a result, the General Partner has received a greater percentage of the total Partnership distribution than its aggregate 2% general partner interest in AmeriGas OLP and AmeriGas Partners. During Fiscal 2014, Fiscal 2013 and Fiscal 2012, the total amount of distributions received by the General Partner with respect to its aggregate 2% general partner ownership interests totaled \$32.4, \$27.4 and \$19.7, respectively. Included in these amounts are incentive distributions received by the General Partner during Fiscal 2014, Fiscal 2013 and Fiscal 2012 of \$23.9, \$19.3 and \$13.0, respectively.

In March 2012, AmeriGas Partners sold 7,000,000 Common Units in an underwritten public offering at a public offering price of \$41.25 per unit. The net proceeds of the public offering totaling \$276.6 and the associated capital contributions from the General Partner totaling \$2.8 were used to redeem \$200 of AmeriGas Partners' 6.50% Senior Notes pursuant to a tender offer (see Note 6), to reduce bank loan borrowings and for general partnership purposes.

Note 16 — Commitments and Contingencies
Commitments

We lease various buildings and other facilities and vehicles, computer and office equipment under operating leases. Certain of our leases contain renewal and purchase options and also contain step-rent provisions. Our aggregate rental expense for such leases was \$79.7 in Fiscal 2014, \$82.5 in Fiscal 2013 and \$77.9 in Fiscal 2012.

Minimum future payments under operating leases with non-affiliates that have initial or remaining noncancelable terms in excess of one year are as follows:

	2015	2016	2017	2018	2019	After 2019
AmeriGas Propane	\$ 56.2	\$ 46.6	\$ 36.5	\$ 30.6	\$ 25.9	\$ 63.0
UGI Utilities	6.7	6.2	4.5	3.7	1.4	0.7
UGI International	7.8	6.1	4.4	2.0	0.4	0.5
Other	1.9	1.8	0.9	0.6	0.4	0.3
Total	\$ 72.6	\$ 60.7	\$ 46.3	\$ 36.9	\$ 28.1	\$ 64.5

Our businesses enter into contracts of varying lengths and terms to meet their supply, pipeline transportation, storage, capacity and energy needs. Gas Utility currently has gas supply agreements with producers and marketers with terms not exceeding 16 months. Gas Utility also has agreements for firm pipeline transportation and natural gas storage services, which Gas Utility may terminate at various dates through Fiscal 2030. Gas Utility's costs associated with transportation and storage capacity agreements are included in its annual PGC filings with the PUC and are recoverable through PGC rates. In addition, Gas Utility has short-term gas supply agreements which permit it to purchase certain of its gas supply needs on a firm or interruptible basis at spot-market prices. Electric Utility purchases its electricity needs under contracts with various suppliers and on the spot market. Contracts with producers for energy needs expire at various dates through Fiscal 2016. Midstream & Marketing enters into fixed-price contracts with suppliers to purchase natural gas and electricity to meet its sales commitments. Generally, these contracts have terms of less than two years. The Partnership enters into fixed-price and variable-price contracts to purchase a portion of its supply requirements. These contracts currently have terms that do not exceed three years. UGI International enters into fixed-price and variable-priced contracts to purchase a portion of its supply requirements that currently do not exceed three years.

The following table presents contractual obligations with non-affiliates under Gas Utility, Electric Utility, Midstream & Marketing, AmeriGas Propane and UGI International supply, storage and service contracts existing at September 30, 2014:

	2015	2016	2017	2018	2019	After 2019
UGI Utilities supply, storage and transportation contracts	\$ 156.9	\$ 66.8	\$ 44.9	\$ 30.8	\$ 23.6	\$ 66.4
Midstream & Marketing supply contracts	302.1	107.0	42.1	4.3	—	—
AmeriGas Propane supply contracts	130.8	74.3	—	—	—	—
UGI International supply contracts	144.7	72.8	—	—	—	—
Total	\$ 734.5	\$ 320.9	\$ 87.0	\$ 35.1	\$ 23.6	\$ 66.4

The Partnership and UGI International also enter into other contracts to purchase LPG to meet supply requirements. Generally, these contracts are one- to three-year agreements subject to annual price and quantity adjustments.

Contingencies***Environmental Matters*****UGI Utilities**

CPG is party to a Consent Order and Agreement (“CPG-COA”) with the DEP requiring CPG to perform a specified level of activities associated with environmental investigation and remediation work at certain properties in Pennsylvania on which MGP related facilities were operated (“CPG MGP Properties”) and to plug a minimum number of non-producing natural gas wells per year. In addition, PNG is a party to a Multi-Site Remediation Consent Order and Agreement (“PNG-COA”) with the DEP. The PNG-COA requires PNG to perform annually a specified level of activities associated with environmental investigation and remediation work at certain properties on which MGP-related facilities were operated (“PNG MGP Properties”). Under these agreements, environmental expenditures relating to the CPG MGP Properties and the PNG MGP Properties are capped at \$1.8 and \$1.1, respectively, in any calendar year. The CPG-COA is scheduled to terminate at the end of 2018. The PNG-COA terminates in 2019 but may be terminated by either party effective at the end of any two-year period beginning with the original effective date in March 2004. At September 30, 2014 and 2013, our accrued liabilities for environmental investigation and remediation costs related to the CPG-COA and the PNG-COA totaled \$10.7 and \$14.0, respectively. In accordance with GAAP related to rate-regulated entities, we have recorded associated regulatory assets in equal amounts.

From the late 1800s through the mid-1900s, UGI Utilities and its former subsidiaries owned and operated a number of 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, by the early 1950s UGI Utilities divested all of its utility operations other than certain Pennsylvania operations, including those which now constitute UGI Gas 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 (1) UGI Gas is currently permitted to include in rates, through future base rate proceedings, a five-year average of such prudently incurred remediation costs and (2) CPG and PNG are currently receiving regulatory recovery of estimated environmental investigation and remediation costs associated with Pennsylvania sites. At September 30, 2014, neither the undiscounted nor the accrued liability for environmental investigation and cleanup costs for UGI Gas was material.

From time to time, UGI Utilities is notified of sites outside Pennsylvania on which private parties allege MGPs were formerly owned or operated by UGI Utilities or owned or operated by its former subsidiaries. Such parties generally investigate the extent of environmental contamination or perform environmental remediation. 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.

Other Matters

Federal Trade Commission Investigation of Propane Grill Cylinder Filling Practices. On or about November 4, 2011, the General Partner received notice that the Federal Trade Commission (“FTC”) had initiated an antitrust and consumer protection investigation into certain practices of the Partnership relating to the filling of portable propane cylinders. On February 2, 2012, the Partnership received a Civil Investigative Demand from the FTC that requested documents and information concerning, among other things, (i) the Partnership’s decision, in 2008, to reduce the volume of propane in cylinders it sells to consumers from 17 pounds to 15 pounds, and (ii) cross-filling, related service arrangements and communications regarding the foregoing with competitors. The Partnership responded to that subpoena and cooperated with subsequent requests for information. On March 27, 2014, the FTC issued an administrative complaint against the Partnership and UGI alleging that the General Partner and one of its competitors colluded in 2008 to persuade its common customer, Walmart Stores, Inc., to accept the cylinder fill reduction from 17 pounds to 15 pounds. The complaint does not seek monetary remedies. The Partnership and UGI filed their answer to the complaint on April 18, 2014. On August 25, 2014, the parties entered into an Agreement Containing Consent Orders, and on August 27, 2014, the FTC issued an Order Withdrawing Matter from Adjudication for the Purpose of Considering a Proposed Consent Agreement.

The consent agreement was accepted by the FTC on October 31, 2014, and is subject to a 30-day public comment period. Thereafter, the FTC may either withdraw its acceptance of the consent agreement or issue its decision and order in settlement of the proceeding.

Purported Class Action Lawsuits. Following the issuance of the FTC’s administrative complaint described above, more than 35 class action lawsuits were filed in multiple jurisdictions against the Partnership/UGI Corporation and a competitor by certain of their direct and indirect customers. The class action lawsuits allege that the Partnership and its competitor colluded in 2008 to reduce the fill level and combined to persuade its common customer, Walmart Stores, Inc., to accept that fill reduction, resulting in increased cylinder costs to retailers and end-user customers in violation of federal and certain state antitrust laws. The claims seek treble damages, injunctive relief, attorneys’ fees and costs on behalf of the putative classes. On October 16, 2014, the United States Judicial Panel on Multidistrict Litigation transferred all of these purported class action cases to the Western Division of the Western District of Missouri. We are unable to reasonably estimate the impact, if any, arising from such litigation. We believe we have strong defenses to the claims and intend to vigorously defend against them.

In addition to the matters described above, there are other pending claims and legal actions arising in the normal course of our businesses. Although we cannot predict the final results of these pending claims and legal actions, we believe, after consultation with counsel, that the final outcome of these matters will not have a material effect on our consolidated financial position, results of operations or cash flows.

Note 17 — Fair Value Measurements
Derivative Instruments

The following table presents on a gross basis our financial assets and liabilities including both current and noncurrent portions, that are measured at fair value on a recurring basis within the fair value hierarchy as described in Note 2, as of September 30, 2014 and 2013:

	Asset (Liability)					
	Level 1	Level 2	Level 3	Total		
September 30, 2014:						
Derivative instruments:						
Assets:						
Commodity contracts	\$ 10.6	\$ 19.8	\$ —	\$ 30.4		
Foreign currency contracts	\$ —	\$ 12.8	\$ —	\$ 12.8		
Cross-currency swaps	\$ —	\$ 2.1	\$ —	\$ 2.1		
Interest rate contracts	\$ —	\$ 0.1	\$ —	\$ 0.1		
Liabilities:						
Commodity contracts	\$ (21.2)	\$ (32.9)	\$ —	\$ (54.1)		
Foreign currency contracts	\$ —	\$ (0.1)	\$ —	\$ (0.1)		
Interest rate contracts	\$ —	\$ (21.0)	\$ —	\$ (21.0)		
Non-qualified supplemental postretirement grantor trust investments (a)	\$ 30.0	\$ —	\$ —	\$ 30.0		
September 30, 2013 (b):						
Derivative instruments:						
Assets:						
Commodity contracts	\$ 2.6	\$ 22.8	\$ —	\$ 25.4		
Foreign currency contracts	\$ —	\$ 0.9	\$ —	\$ 0.9		
Liabilities:						
Commodity contracts	\$ (8.8)	\$ (9.3)	\$ —	\$ (18.1)		
Foreign currency contracts	\$ —	\$ (7.2)	\$ —	\$ (7.2)		
Interest rate contracts	\$ —	\$ (31.0)	\$ —	\$ (31.0)		
Cross-currency swaps	\$ —	\$ (1.2)	\$ —	\$ (1.2)		
Non-qualified supplemental postretirement grantor trust investments (a)	\$ 27.1	\$ —	\$ —	\$ 27.1		

(a) Consists primarily of mutual fund investments held in grantor trusts associated with non-qualified supplemental retirement plans (see Note 8).

(b) Certain immaterial amounts have been revised to correct the classification of derivatives.

The fair values of our Level 1 exchange-traded commodity futures and option contracts and non exchange-traded commodity futures and forward contracts are based upon actively-quoted market prices for identical assets and liabilities. The remainder of our derivative instruments are designated as Level 2. The fair values of certain non-exchange traded commodity derivatives designated as Level 2 are based upon indicative price quotations available through brokers, industry price publications or recent market transactions and related market indicators. For commodity option contracts designated as Level 2 which are not traded on an exchange, we use a Black Scholes option pricing model that considers time value and volatility of the underlying commodity.

The fair values of our Level 2 interest rate contracts and foreign currency contracts are based upon third-party quotes or indicative values based on recent market transactions. The fair values of investments held in grantor trusts are derived from quoted market prices as substantially all of the investments in these trusts have active markets. There were no transfers between Level 1 and Level 2 during the periods presented.

Other Financial Instruments

The carrying amounts of other financial instruments included in current assets and current liabilities (except for current maturities of long-term debt) approximate their fair values because of their short-term nature. At September 30, 2014, the carrying amount and estimated fair value of our long-term debt (including current maturities) were \$3,510.8 and \$3,686.1, respectively. At September 30, 2013, the carrying amount and estimated fair value of our long-term debt (including current maturities) were \$3,609.4 and \$3,761.8, respectively. We estimate the fair value of long-term debt by using current market rates and by discounting future cash flows using rates available for similar type debt (Level 2).

Financial instruments other than derivative instruments, such as our short-term investments and trade accounts receivable, could expose us to concentrations of credit risk. We limit our credit risk from short-term investments by investing only in investment-grade commercial paper, money market mutual funds, securities guaranteed by the U.S. Government or its agencies and FDIC insured bank deposits. The credit risk from trade accounts receivable is limited because we have a large customer base which extends across many different U.S. markets and several foreign countries. For information regarding concentrations of credit risk associated with our derivative instruments, see Note 18. Our investment in a private equity partnership is measured at fair value on a non-recurring basis. Generally this measurement uses Level 3 fair value inputs because the investment does not have a readily available market value.

Note 18 — Derivative Instruments and Hedging Activities

We are exposed to certain market risks related to our ongoing business operations. Management uses derivative financial and commodity instruments, among other things, to manage these risks. The primary risks managed by derivative instruments are (1) commodity price risk, (2) interest rate risk and (3) foreign currency exchange rate risk. Although we use derivative financial and commodity instruments to reduce market risk associated with forecasted transactions, we do not use derivative financial and commodity instruments for speculative or trading purposes. The use of derivative instruments is controlled by our risk management and credit policies which govern, among other things, the derivative instruments we can use, counterparty credit limits and contract authorization limits. For information on the accounting for our derivative instruments, see Note 2.

Commodity Price Risk

In order to manage market price risk associated with the Partnership's fixed-price programs the Partnership uses over-the-counter derivative commodity instruments, principally price swap contracts. In addition, the Partnership, certain other domestic business units and our UGI International operations also use over-the-counter price swap and option contracts to reduce commodity price volatility associated with a portion of their forecasted LPG purchases. In addition, the Partnership from time to time enters into price swap and put option agreements to reduce the effects of short-term commodity price volatility. At September 30, 2014 and 2013, total volumes associated with LPG commodity derivative instruments totaled 344.5 million gallons and 279.0 million gallons, respectively. The maximum period over which we are economically hedging our exposure to LPG commodity price risk is 21 months.

Gas Utility's tariffs contain clauses that permit recovery of all of the prudently incurred costs of natural gas it sells to retail core-market customers, including the cost of financial instruments used to hedge purchased gas costs. As permitted and agreed to by the PUC pursuant to Gas Utility's annual PGC filings, Gas Utility currently uses New York Mercantile Exchange ("NYMEX") natural gas futures and option contracts to reduce commodity price volatility associated with a portion of the natural gas it purchases for its retail core-market customers. At September 30, 2014 and 2013, the volumes of natural gas associated with Gas Utility's unsettled NYMEX natural gas futures and option contracts totaled 16.9 million dekatherms and 15.0 million dekatherms, respectively. At September 30, 2014, the maximum period over which Gas Utility is economically hedging natural gas market price risk is 12 months. Gains and losses on natural gas futures contracts and any gains on natural gas option contracts are recorded in regulatory assets or liabilities on the Consolidated Balance Sheets in accordance with GAAP related to rate-regulated entities and reflected in cost of sales through the PGC mechanism (see Note 9).

Electric Utility's DS tariffs permit the recovery of all prudently incurred costs of electricity it sells to DS customers, including the cost of financial instruments used to hedge electricity costs. Electric Utility enters into forward electricity purchase contracts to

meet a substantial portion of its electricity supply needs. Because most of these contracts currently do not qualify for the NPNS exception under GAAP, the fair values of these contracts are reflected in current and noncurrent derivative instrument assets and liabilities in the accompanying Consolidated Balance Sheets. Associated gains and losses on these forward contracts are recorded in regulatory assets and liabilities on the Consolidated Balance Sheets in accordance with GAAP related to rate-regulated entities and reflected in cost of sales through the DS mechanism (see Note 9). At September 30, 2014 and 2013, the volumes of Electric Utility's forward electricity purchase contracts were 237.0 million kilowatt hours and 245.8 million kilowatt hours, respectively. At September 30, 2014, the maximum period over which these contracts extend is 8 months.

In order to reduce volatility associated with a substantial portion of its electricity transmission congestion costs, Electric Utility obtains FTRs through an annual allocation process. Midstream & Marketing purchases FTRs to economically hedge electricity transmission congestion costs associated with its fixed-price electricity sales contracts and from time to time also enters into New York Independent System Operator ("NYISO") capacity swap contracts to economically hedge the locational basis differences for customers it serves on the NYISO electricity grid. Gains and losses on Electric Utility FTRs are recorded in regulatory assets or liabilities in accordance with GAAP related to rate-regulated entities and reflected in cost of sales through the DS recovery mechanism (see Note 9). At September 30, 2014 and 2013, the total volumes associated with FTRs and NYISO capacity contracts totaled 232.1 million kilowatt hours and 189.3 million kilowatt hours, respectively. At September 30, 2014, the maximum period over which we are economically hedging electricity congestion and locational basis differences is 8 months.

In order to manage market price risk relating to fixed-price sales contracts for natural gas and electricity, Midstream & Marketing enters into NYMEX and over-the-counter natural gas futures contracts, IntercontinentalExchange ("ICE") natural gas basis swap contracts, and electricity futures contracts. Midstream & Marketing also uses NYMEX and over the counter electricity futures contracts to hedge the price of a portion of its anticipated future sales of electricity from its electric generation facilities. In addition, Midstream & Marketing uses NYMEX futures contracts to economically hedge the gross margin associated with the purchase and anticipated later near-term sale of natural gas or propane. During the second quarter of Fiscal 2014, Energy Services determined that it could no longer assert the NPNS exception under GAAP for new contracts entered into for the forward purchase of natural gas and pipeline transportation. These contracts, as well as other Midstream & Marketing derivative instruments described above, are not accounted for as hedges under GAAP. These derivative instruments are recorded at fair value with changes in fair value reflected in income.

At September 30, 2014 and 2013, total volumes associated with Midstream & Marketing's natural gas futures, forward and pipeline contracts totaled 113.7 million dekatherms and 24.3 million dekatherms, respectively. At September 30, 2014, the maximum period over which we are hedging our exposure to the variability in cash flows associated with natural gas commodity price risk is 41 months. At September 30, 2014 and 2013, total volumes associated with Midstream & Marketing's electricity call contracts and electricity put contracts totaled 394.4 million kilowatt hours and 206.6 million kilowatt hours, and 754.4 million kilowatt hours and 393.0 million kilowatt hours, respectively. At September 30, 2014, the maximum period over which we are hedging our exposure to the variability in cash flows associated with electricity commodity price risk (excluding Electric Utility) is 24 months for electricity call contracts and 12 months for electricity put contracts. At September 30, 2014, the volumes associated with Midstream & Marketing's natural gas and propane storage NYMEX contracts totaled 3.9 million dekatherms and 1.3 million gallons, respectively. At September 30, 2013, the volumes associated with Midstream & Marketing's natural gas and propane storage NYMEX contracts totaled 2.9 million dekatherms and 2.8 million gallons, respectively.

In order to reduce operating expense volatility, UGI Utilities from time to time enters into NYMEX gasoline futures and swap contracts for a portion of gasoline volumes expected to be used in the operation of its vehicles and equipment. Associated volumes, fair values and effects on net income were not material for all periods presented.

A portion of our commodity derivative instruments are designated and qualify as cash flow hedges. At September 30, 2014, the amount of net losses associated with commodity price risk hedges expected to be reclassified into earnings during the next twelve months based upon current fair values is \$2.3.

Interest Rate Risk

Antargaz' and Flaga's long-term debt agreements have interest rates that are generally indexed to short-term market interest rates. Antargaz and Flaga have each entered into pay-fixed, receive-variable interest rate swap agreements to hedge the underlying euribor rate of interest on their variable-rate term loans through the respective scheduled maturity dates. As of September 30, 2014 and 2013, the total notional amounts of variable-rate debt subject to interest rate swap agreements (excluding Flaga's cross-currency swap as described below) were €401.1 and €440.5, respectively.

Our domestic businesses' long-term debt is typically issued at fixed rates of interest. As these long-term debt issues mature, we typically refinance such debt with new debt having interest rates reflecting then-current market conditions. In order to reduce market rate risk on the underlying benchmark rate of interest associated with near- to medium-term forecasted issuances of fixed-rate debt, from time to time we enter into interest rate protection agreements ("IRPAs"). At September 30, 2014 and 2013, we had no unsettled IRPAs.

During Fiscal 2012, UGI Utilities reclassified pre-tax losses of \$0.7 from AOCI into income as a result of the discontinuance of cash flow hedge accounting for a portion of expected interest payments associated with the issuance of long-term debt originally anticipated to occur in September 2012. Such losses are included in other income, net, in the Fiscal 2012 Consolidated Statement of Income.

We account for interest rate swaps and IRPAs as cash flow hedges. At September 30, 2014, the amount of net losses associated with interest rate hedges (excluding pay-fixed, receive-variable interest rate swaps) expected to be reclassified into earnings during the next twelve months is \$2.7.

Foreign Currency Exchange Rate Risk

In order to reduce volatility, Antargaz hedges a portion of its anticipated U.S. dollar-denominated LPG product purchases through the use of forward foreign currency exchange contracts. The amount of U.S. dollar-denominated purchases of LPG associated with such contracts generally represents approximately 15% to 30% of estimated U.S. dollar-denominated purchases of LPG to occur during the heating-season months of October through March. At September 30, 2014 and 2013, we were hedging a total of \$219.8 and \$200.2 of U.S. dollar-denominated LPG purchases, respectively. At September 30, 2014, the maximum period over which we are hedging our exposure to the variability in cash flows associated with U.S. dollar-denominated purchases of LPG is 27 months. From time to time we also enter into forward foreign currency exchange contracts to reduce the volatility of the U.S. dollar value on a portion of our International Propane euro-denominated net investments. At September 30, 2014 and 2013, we had no euro-denominated net investment hedges.

We account for foreign currency exchange contracts associated with anticipated purchases of U.S. dollar-denominated LPG as cash flow hedges. At September 30, 2014, the amount of net losses associated with currency rate risk (other than net investment hedges) expected to be reclassified into earnings during the next twelve months based upon current fair values is \$4.6.

Cross-Currency Swaps

During Fiscal 2013, Flaga entered into a cross-currency swap to hedge its exposure to the variability in expected future cash flows associated with foreign currency and interest rate risk resulting from the issuance of \$52.0 of U.S. dollar-denominated variable-rate debt. The cross-currency hedge includes initial and final exchanges of principal from a fixed euro denomination to a fixed U.S. dollar-denominated amount, to be exchanged at a specified rate, which was determined by the market spot rate on the date of issuance. The cross-currency swap also includes an interest rate swap of a fixed foreign-denominated interest rate to a fixed U.S. dollar-denominated interest rate. We have designated this cross-currency swap as a cash flow hedge. At September 30, 2014, the amount of net gains associated with this cross-currency swap expected to be reclassified into earnings over the next twelve months is not material.

Derivative Instrument Credit Risk

We are exposed to risk of loss in the event of nonperformance by our derivative instrument counterparties. Our derivative instrument counterparties principally comprise large energy companies and major U.S. and international financial institutions. We maintain credit policies with regard to our counterparties that we believe reduce overall credit risk. These policies include evaluating and monitoring our counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits or entering into netting agreements that allow for offsetting counterparty receivable and payable balances for certain financial transactions, as deemed appropriate. Certain of these agreements call for the posting of collateral by the counterparty or by the Company in the form of letters of credit, parental guarantees or cash. Additionally, our natural gas and electricity exchange-traded futures contracts generally require cash deposits in margin accounts. At September 30, 2014 and 2013, restricted cash in brokerage accounts totaled \$16.6 and \$7.0, respectively. Although we have concentrations of credit risk associated with derivative instruments, the maximum amount of loss, based upon the gross fair values of the derivative instruments, we would incur if these counterparties failed to perform according to the terms of their contracts was not material at September 30, 2014. Certain of the Partnership's derivative contracts have credit-risk-related contingent features that may require the posting of additional collateral in the event of a downgrade of the Partnership's debt rating. At September 30, 2014, if the credit-risk-related contingent features were triggered, the amount of collateral required to be posted would not be material.

Offsetting Derivative Assets and Liabilities

Derivative assets and liabilities are presented net by counterparty on our Consolidated Balance Sheets if the right of offset exists. Our derivative instruments include both those that are executed on an exchange through brokers and centrally cleared and over-the-counter transactions. Exchange contracts utilize a financial intermediary, exchange, or clearinghouse to enter, execute, or clear the transactions. Over-the-counter contracts are bilateral contracts that are transacted directly with a third party. Certain over-the-counter and exchange contracts contain contractual rights of offset through master netting arrangements, derivative clearing agreements, and contract default provisions. In addition, the contracts are subject to conditional rights of offset through counterparty nonperformance, insolvency, or other conditions.

In general, most of our over-the-counter transactions and all exchange contracts are subject to collateral requirements. Types of collateral generally include cash or letters of credit. Cash collateral paid by us to our derivative counterparties, if any, is reflected in the table below to offset derivative liabilities. Cash collateral received by us from our derivative counterparties, if any, is reflected in the table below to offset derivative assets. Certain other accounts receivable and accounts payable balances recognized on our Consolidated Balance Sheets with our derivative counterparties are not included in the table below but could reduce our net exposure to such counterparties because such balances are subject to master netting or similar arrangements.

Fair Value of Derivative Instruments

The following table presents our derivative assets and liabilities by type, as well as the effects of offsetting, as of September 30, 2014 and 2013:

	2014	2013 (a)
Derivative assets:		
Derivatives designated as hedging instruments:		
Commodity contracts	\$ 2.8	\$ 18.0
Foreign currency contracts	12.8	0.9
Cross-currency contracts	2.1	—
Interest rate contracts	0.1	—
	<u>17.8</u>	<u>18.9</u>
Derivatives accounted for under ASC 980:		
Commodity contracts	1.7	—
Derivatives not designated as hedging instruments:		
Commodity contracts	25.9	7.4
Total derivative assets - gross	<u>45.4</u>	<u>26.3</u>
Gross amounts offset in the balance sheet	<u>(18.4)</u>	<u>(2.1)</u>
Total derivative assets - net	<u>\$ 27.0</u>	<u>\$ 24.2</u>
Derivative liabilities:		
Derivatives designated as hedging instruments:		
Commodity contracts	\$ (5.3)	\$ (4.5)
Foreign currency contracts	(0.1)	(7.2)
Cross-currency contracts	—	(1.2)
Interest rate contracts	(21.0)	(31.0)
	<u>(26.4)</u>	<u>(43.9)</u>
Derivatives accounted for under ASC 980:		
Commodity contracts	(2.2)	(6.7)
Derivatives not designated as hedging instruments:		
Commodity contracts	(46.6)	(6.9)
Total derivative liabilities - gross	<u>(75.2)</u>	<u>(57.5)</u>
Gross amounts offset in the balance sheet	<u>18.4</u>	<u>2.1</u>
Total derivative liabilities - net	<u>\$ (56.8)</u>	<u>\$ (55.4)</u>

(a) Certain immaterial amounts have been revised to correct the classification of derivatives.

Effect of Derivative Instruments

The following tables provide information on the effects of derivative instruments in the Consolidated Statements of Income and changes in AOCI and noncontrolling interests for Fiscal 2014, 2013 and 2012:

	Gain or (Loss) Recognized in AOCI and Noncontrolling Interests			Gain or (Loss) Reclassified from AOCI and Noncontrolling Interests into Income			Location of Gain or (Loss) Reclassified from AOCI and Noncontrolling Interests into Income
	2014	2013	2012	2014	2013	2012	
Cash Flow Hedges:							
Commodity contracts	\$ 50.8	\$ 8.3	\$ (98.0)	\$ 67.0	\$ (49.5)	\$ (61.4)	Cost of sales
Foreign currency contracts	15.3	(8.3)	(0.5)	(3.7)	(0.1)	2.1	Cost of sales
Cross-currency contracts	3.1	(1.2)	—	(0.1)	—	—	Interest expense
Interest rate contracts	(3.1)	22.9	(36.8)	(15.9)	(14.2)	(11.5)	Interest expense /other income, net
Total	<u>\$ 66.1</u>	<u>\$ 21.7</u>	<u>\$ (135.3)</u>	<u>\$ 47.3</u>	<u>\$ (63.8)</u>	<u>\$ (70.8)</u>	
Net Investment Hedges:							
Foreign currency contracts	\$ —	\$ —	\$ 0.6				

	Gain or (Loss) Recognized in Income			Location of Gain or (Loss) Recognized in Income
	2014	2013	2012	
Derivatives Not Designated as Hedging Instruments:				
Commodity contracts	\$ (36.3)	\$ 9.3	\$ 0.1	Cost of sales
Commodity contracts	—	—	0.2	Operating and administrative expenses / other income, net
Foreign currency contracts	—	(0.4)	0.5	Other income, net
Total	\$ (36.3)	\$ 8.9	\$ 0.8	

The amounts of derivative gains or losses representing ineffectiveness, and the amounts of gains or losses recognized in income as a result of excluding derivatives from ineffectiveness testing, were not material for Fiscal 2014, Fiscal 2013 and Fiscal 2012.

We are also a party to a number of other contracts that have elements of a derivative instrument. These contracts include, among others, binding purchase orders, contracts which provide for the purchase and delivery, or sale, of energy products, and service contracts that require the counterparty to provide commodity storage, transportation or capacity service to meet our normal sales commitments. Although many of these contracts have the requisite elements of a derivative instrument, certain of these contracts qualify for NPNS exception accounting under GAAP because they provide for the delivery of products or services in quantities that are expected to be used in the normal course of operating our business and the price in the contract is based on an underlying that is directly associated with the price of the product or service being purchased or sold.

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Note 19 — Other Income, Net

Other income, net, comprises the following:

	2014	2013	2012
Interest and interest-related income	\$ 3.6	\$ 2.2	\$ 2.4
Utility non-tariff service income	2.7	2.8	2.7
Finance charges	17.5	21.4	18.8
Gains on sales of fixed assets	5.4	1.4	1.9
Loss on private equity partnership investment	—	(6.3)	—
Other, net	6.9	11.3	14.0
Total other income, net	<u>\$ 36.1</u>	<u>\$ 32.8</u>	<u>\$ 39.8</u>

Note 20 — Quarterly Data (unaudited)

The following unaudited quarterly data includes adjustments (consisting only of normal recurring adjustments with the exception of those indicated below) which we consider necessary for a fair presentation unless otherwise indicated. Our quarterly results fluctuate because of the seasonal nature of our businesses.

	December 31,		March 31,		June 30,		September 30,	
	2013(a)	2012	2014	2013	2014	2013	2014	2013 (b)
Revenues	\$ 2,315.9	\$ 2,018.7	\$ 3,163.3	\$ 2,542.7	\$ 1,486.7	\$ 1,374.3	\$ 1,311.4	\$ 1,259.0
Operating income (loss)	\$ 363.7	\$ 294.2	\$ 588.6	\$ 507.7	\$ 62.7	\$ 41.5	\$ (9.4)	\$ (12.3)
Net income (loss)	\$ 217.5	\$ 167.8	\$ 387.8	\$ 341.7	\$ (12.7)	\$ (22.8)	\$ (60.0)	\$ (59.1)
Net income (loss) attributable to UGI Corporation	\$ 122.0	\$ 102.5	\$ 214.4	\$ 180.7	\$ 20.6	\$ 9.1	\$ (19.8)	\$ (14.2)
Earnings (loss) per common share attributable to UGI Corporation stockholders:								
Basic	\$ 0.71	\$ 0.60	\$ 1.24	\$ 1.06	\$ 0.12	\$ 0.05	\$ (0.11)	\$ (0.08)
Diluted	\$ 0.70	\$ 0.60	\$ 1.22	\$ 1.05	\$ 0.12	\$ 0.05	\$ (0.11)	\$ (0.08)

(a) Includes income tax expense of \$5.7 to reflect the retroactive effects to Fiscal 2013 of new tax legislation in France regarding the deductibility of certain interest expense which decreased net income attributable to UGI Corporation by \$5.7 or \$0.03 per diluted share (see Note 7).

(b) Includes impairment loss on private equity partnership investment which increased operating loss by \$6.3 and net loss attributable to UGI Corporation by \$3.7 or \$0.02 per share (see Note 2).

Note 21 — Segment Information

Our operations comprise six reportable segments generally based upon products sold, geographic location and regulatory environment. Our reportable segments comprise: (1) AmeriGas Propane; (2) an international LPG segment comprising Antargaz; (3) an international LPG segment principally comprising Flaga and AvantiGas; (4) Gas Utility; (5) Energy Services; and (6) Electric Generation. We refer to both international segments together as “UGI International” and Energy Services and Electric Generation together as “Midstream & Marketing.”

AmeriGas Propane derives its revenues principally from the sale of propane and related equipment and supplies to retail customers in all 50 states. Antargaz’ revenues are derived principally from the distribution of LPG to retail customers in France and, to a lesser extent, the sale of LPG to retail customers in Belgium, the Netherlands and Luxembourg and the marketing of natural gas in France and Belgium. Flaga & Other revenues are derived principally from the distribution of LPG to customers in northern, central and eastern Europe and the United Kingdom. Gas Utility’s revenues are derived principally from the sale and distribution of natural gas to customers in eastern, northeastern and central Pennsylvania. Energy Services revenues are derived from the sale of natural gas and, to a lesser extent, LPG, electricity and fuel oil as well as storage, pipeline transportation as well as fees from other energy services provided to customers located primarily in the Mid-Atlantic region of the United States. Electric Generation revenues are derived principally from the sale of electricity through PJM, a regional electricity transmission organization in the eastern U.S.

The accounting policies of our reportable segments are the same as those described in Note 2. 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 GAAP. Our definition of Partnership EBITDA may be different from that used by other companies. We evaluate the performance of our other reportable segments principally based upon their income before income taxes.

No single customer represents more than ten percent of our consolidated revenues. In addition, all of our reportable segments’ revenues, other than those of UGI International, are derived from sources within the United States, and all of our reportable segments’ long-lived assets, other than those of UGI International, are located in the United States.

	Total	Eliminations	AmeriGas Propane	Gas Utility	Midstream & Marketing		UGI International		Corporate & Other (b)
					Energy Services	Electric Generation	Antargaz	Flaga & Other	
2014									
Revenues	\$ 8,277.3	\$ (321.3) (c)	\$ 3,712.9	\$ 977.3	\$ 1,305.5	\$ 85.1	\$ 1,295.5	\$ 1,026.9	\$ 195.4
Cost of sales	\$ 5,175.7	\$ (317.7) (c)	\$ 2,107.1	\$ 496.8	\$ 1,058.8	\$ 39.6	\$ 848.1	\$ 809.9	\$ 133.1
Operating income (loss)	\$ 1,005.6	\$ 0.2	\$ 472.0	\$ 236.2	\$ 180.5	\$ 18.1	\$ 79.1	\$ 38.4	\$ (18.9)
Loss from equity investees	(0.1)	—	—	—	—	—	(0.1)	—	—
Interest expense	(237.7)	—	(165.6)	(36.6)	(2.9)	—	(25.1)	(4.9)	(2.6)
Income (loss) before income taxes	\$ 767.8	\$ 0.2	\$ 306.4	\$ 199.6	\$ 177.6	\$ 18.1	\$ 53.9	\$ 33.5	\$ (21.5)
Net income (loss) attributable to UGI	\$ 337.2	\$ —	\$ 63.0	\$ 118.8	\$ 105.2	\$ 12.6	\$ 20.6	\$ 27.7	\$ (10.7)
Depreciation and amortization	\$ 362.9	\$ —	\$ 197.2	\$ 54.8	\$ 12.3	\$ 10.7	\$ 54.5	\$ 27.1	\$ 6.3
Noncontrolling interests’ net income (loss)	\$ 195.4	\$ —	\$ 195.8	\$ —	\$ —	\$ —	\$ (0.4)	\$ —	\$ —
Partnership EBITDA (a)	\$ 655.3	\$ —	\$ 664.8	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (9.5)
Total assets	\$ 10,093.0	\$ (86.5)	\$ 4,377.0	\$ 2,214.1	\$ 569.0	\$ 277.7	\$ 1,659.1	\$ 643.6	\$ 439.0
Short-term borrowings	\$ 210.8	\$ —	\$ 109.0	\$ 86.3	\$ 7.5	\$ —	\$ —	\$ 8.0	\$ —
Capital expenditures	\$ 436.4	\$ —	\$ 113.9	\$ 156.4	\$ 67.8	\$ 15.6	\$ 50.2	\$ 23.0	\$ 9.5
Investments in equity investees	\$ 0.6	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 0.6	\$ —
Goodwill	\$ 2,833.4	\$ —	\$ 1,945.1	\$ 182.1	\$ 5.6	\$ —	\$ 601.2	\$ 92.4	\$ 7.0

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	Total	Elim- inations	AmeriGas Propane	Gas Utility	Midstream & Marketing		UGI International		Corporate & Other (b)
					Energy Services	Electric Generation	Antargaz	Flaga & Other	
2013									
Revenues	\$ 7,194.7	\$ (223.8) (c)	\$ 3,168.8	\$ 839.0	\$ 969.4	\$ 71.4	\$ 1,322.6	\$ 856.6	\$ 190.7
Cost of sales	\$ 4,324.4	\$ (217.5) (c)	\$ 1,657.2	\$ 407.2	\$ 836.9	\$ 39.9	\$ 845.0	\$ 653.4	\$ 102.3
Operating income	\$ 831.1	\$ (1.1)	\$ 394.4	\$ 196.5	\$ 82.5	\$ 7.5	\$ 111.4	\$ 35.6	\$ 4.3
Loss from equity investees	(0.4)	—	—	—	—	—	(0.4)	—	—
Interest expense	(240.3)	—	(166.6)	(37.4)	(3.2)	—	(25.3)	(5.1)	(2.7)
Income before income taxes	590.4	(1.1)	227.8	159.1	79.3	7.5	85.7	30.5	1.6
Net income attributable to UGI	\$ 278.1	\$ (0.6)	\$ 47.5	\$ 94.3	\$ 46.3	\$ 6.2	\$ 57.2	\$ 25.5	\$ 1.7
Depreciation and amortization	\$ 363.1	\$ —	\$ 205.9	\$ 51.7	\$ 7.6	\$ 10.0	\$ 57.6	\$ 24.1	\$ 6.2
Noncontrolling interests' net (loss) income	\$ 149.5	\$ —	\$ 149.6	\$ —	\$ —	\$ —	\$ (0.2)	\$ 0.1	\$ —
Partnership EBITDA (a)			\$ 596.5						
Total assets	\$ 10,008.8	\$ (100.3)	\$ 4,429.3	\$ 2,069	\$ 501.2	\$ 269.7	\$ 1,784.4	\$ 667.1	\$ 388.4
Short-term borrowings	\$ 227.9	\$ —	\$ 116.9	\$ 17.5	\$ 87.0	\$ —	\$ —	\$ 6.5	\$ —
Capital expenditures	\$ 489.1	\$ (1.1)	\$ 111.1	\$ 144.4	\$ 133.8	\$ 22.6	\$ 53.4	\$ 17.4	\$ 7.5
Investments in equity investees	\$ 0.3	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 0.3	\$ —
Goodwill	\$ 2,873.7	\$ —	\$ 1,941.0	\$ 182.1	\$ 2.8	\$ —	\$ 643.7	\$ 97.1	\$ 7.0
2012									
Revenues	\$ 6,521.3	\$ (178.8) (c)	\$ 2,921.5	\$ 785.4	\$ 816.4	\$ 43.9	\$ 1,121.4	\$ 824.7	\$ 186.8
Cost of sales	\$ 4,099.1	\$ (174.0) (c)	\$ 1,722.4	\$ 402.5	\$ 701.9	\$ 28.0	\$ 685.5	\$ 640.3	\$ 92.5
Operating income (loss)	\$ 538.6	\$ —	\$ 168.7	\$ 174.1	\$ 70.8	\$ (6.5)	\$ 88.3	\$ 23.6	\$ 19.6
Loss from equity investees	(0.3)	—	—	—	—	—	(0.3)	—	—
Loss on extinguishments of debt	(13.3)	—	(13.3)	—	—	—	—	—	—
Interest expense	(220.4)	—	(141.5)	(40.1)	(4.8)	—	(26.3)	(4.6)	(3.1)
Income (loss) before income taxes	\$ 304.6	\$ —	\$ 13.9	\$ 134.0	\$ 66.0	\$ (6.5)	\$ 61.7	\$ 19.0	\$ 16.5
Net income (loss) attributable to UGI	\$ 210.2	\$ —	\$ 15.4	\$ 81.6	\$ 38.7	\$ (1.0)	\$ 51.4	\$ 13.8	\$ 10.3
Depreciation and amortization	\$ 315.0	\$ —	\$ 168.1	\$ 49.0	\$ 3.7	\$ 9.0	\$ 57.1	\$ 22.1	\$ 6.0
Noncontrolling interests' net (loss) income	\$ (12.5)	\$ —	\$ (12.7)	\$ —	\$ —	\$ —	\$ 0.2	\$ —	\$ —
Partnership EBITDA (a)			\$ 322.1						
Total assets	\$ 9,676.9	\$ (104.1)	\$ 4,533.8	\$ 2,045.5	\$ 368.5	\$ 258.2	\$ 1,686.5	\$ 531.8	\$ 356.7
Short-term borrowings	\$ 165.1	\$ —	\$ 49.9	\$ 9.2	\$ 85.0	\$ —	\$ —	\$ 21.0	\$ —
Capital expenditures	\$ 343.2	\$ —	\$ 103.1	\$ 109.0	\$ 36.0	\$ 24.4	\$ 47.3	\$ 16.9	\$ 6.5
Investments in equity investees	\$ 0.3	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 0.3	\$ —
Goodwill	\$ 2,818.3	\$ —	\$ 1,919.2	\$ 182.1	\$ 2.8	\$ —	\$ 612.0	\$ 95.2	\$ 7.0

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

	2014	2013	2012
Partnership EBITDA	\$ 664.8	\$ 596.5	\$ 322.1
Depreciation and amortization	(197.2)	(205.9)	(168.1)
Loss on extinguishments of debt	—	—	13.3
Noncontrolling interests (i)	4.4	3.8	1.4
Operating income	\$ 472.0	\$ 394.4	\$ 168.7

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

(b) Corporate & Other results principally comprise (1) Electric Utility, (2) Enterprises' heating, ventilation, air-conditioning, refrigeration and electrical contracting businesses ("HVAC"), (3) net expenses of UGI's captive general liability insurance company, (4) UGI Corporation's unallocated corporate and general expenses and interest income and (5) net (losses) gains on Midstream & Marketing's unsettled commodity derivative instruments and certain settled commodity derivative instruments not associated with current period transactions, and net (losses) gains on AmeriGas Propane's unsettled commodity derivative instruments entered into beginning April 1, 2014, totaling \$(18.0), \$7.4 and \$15.1 in Fiscal 2014, Fiscal 2013 and Fiscal 2012, respectively. Corporate & Other assets principally comprise cash, short-term investments, the assets of Electric Utility and HVAC, and an intercompany loan. The intercompany loan and associated interest is removed in the segment presentation.

(c) Represents the elimination of intersegment transactions principally among Midstream & Marketing, Gas Utility and AmeriGas Propane.

UGI CORPORATION AND SUBSIDIARIES
SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT (PARENT COMPANY)

BALANCE SHEETS
(Millions of dollars)

	September 30,	
	2014	2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 0.8	\$ 0.9
Accounts and notes receivable	3.9	2.9
Deferred income taxes	0.4	0.4
Prepaid expenses and other current assets	0.3	0.3
Total current assets	5.4	4.5
Investments in subsidiaries	2,663.9	2,488.7
Other assets	55.5	49.9
Total assets	\$ 2,724.8	\$ 2,543.1
LIABILITIES AND COMMON STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts and notes payable	\$ 11.8	\$ 11.0
Derivative instruments	—	—
Accrued liabilities	6.0	3.9
Total current liabilities	17.8	14.9
Noncurrent liabilities	47.9	35.7
Commitments and contingencies (Note 1)		
Common stockholders' equity:		
Common Stock, without par value (authorized - 450,000,000 shares; issued - 173,770,641 and 173,675,691 shares, respectively)	1,215.6	1,208.1
Retained earnings	1,509.4	1,308.3
Accumulated other comprehensive (loss) income	(21.2)	8.4
Treasury stock, at cost	(44.7)	(32.3)
Total common stockholders' equity	2,659.1	2,492.5
Total liabilities and common stockholders' equity	\$ 2,724.8	\$ 2,543.1

Note 1 — Commitments and Contingencies:

In addition to the guarantees of Flaga's and Antargaz' debt as described in Note 6 to Consolidated Financial Statements, at September 30, 2014, UGI Corporation had agreed to indemnify the issuers of \$65.1 of surety bonds issued on behalf of certain UGI subsidiaries. UGI Corporation is authorized to guarantee up to \$500.0 of obligations to suppliers and customers of Energy Services and subsidiaries of which \$414.1 of such obligations were outstanding as of September 30, 2014. UGI Corporation has guaranteed the floating to fixed rate interest rate swaps at Flaga, which obligations totaled \$3.5 at September 30, 2014.

UGI CORPORATION AND SUBSIDIARIES
SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT (PARENT COMPANY)

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

	Year Ended September 30,		
	2014	2013	2012
Revenues	\$ —	\$ —	\$ —
Costs and expenses:			
Operating and administrative expenses	44.5	36.9	27.8
Other income, net (a)	(44.2)	(36.7)	(28.1)
	0.3	0.2	(0.3)
Operating (loss) income	(0.3)	(0.2)	0.3
Intercompany interest income	0.2	0.2	0.2
(Loss) income before income taxes	(0.1)	—	0.5
Income tax expense	2.4	3.1	0.3
(Loss) income before equity in income of unconsolidated subsidiaries	(2.5)	(3.1)	0.2
Equity in income of unconsolidated subsidiaries	339.7	281.2	210.0
Net income	\$ 337.2	\$ 278.1	\$ 210.2
Earnings per common share:			
Basic	\$ 1.95	\$ 1.63	\$ 1.24
Diluted	\$ 1.92	\$ 1.60	\$ 1.24
Average common shares outstanding (thousands):			
Basic	172,733	170,885	168,872
Diluted	175,231	173,282	170,148

- (a) UGI provides certain financial and administrative services to certain of its subsidiaries. UGI bills these subsidiaries monthly for all direct expenses incurred by UGI on behalf of its subsidiaries as well as allocated shares of indirect corporate expense incurred or paid with respect to services provided by UGI. The allocation of indirect UGI corporate expenses to certain of its subsidiaries utilizes a weighted, three-component formula comprising revenues, operating expenses, and net assets employed and considers the relative percentage of such items for each subsidiary to the total of such items for all UGI operating subsidiaries for which general and administrative services are provided. Management believes that this allocation method is reasonable and equitable to its subsidiaries. These billed expenses are classified as “Other income, net” in the Statements of Income above.

UGI CORPORATION AND SUBSIDIARIES
SCHEDULE I — CONDENSED FINANCIAL INFORMATION OF REGISTRANT (PARENT COMPANY)

STATEMENTS OF CASH FLOWS
(Millions of dollars)

	Year Ended September 30,		
	2014	2013	2012
NET CASH PROVIDED BY OPERATING ACTIVITIES (a)	\$ 199.7	\$ 139.4	\$ 158.3
CASH FLOWS FROM INVESTING ACTIVITIES:			
Net investments in unconsolidated subsidiaries	(47.3)	(59.1)	(54.4)
Net cash used by investing activities	(47.3)	(59.1)	(54.4)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of dividends on Common Stock	(136.1)	(125.8)	(119.1)
Purchases of UGI Common Stock	(39.8)	—	—
Issuance of Common Stock	23.4	44.5	16.7
Net cash used by financing activities	(152.5)	(81.3)	(102.4)
Cash and cash equivalents (decrease) increase	<u>\$ (0.1)</u>	<u>\$ (1.0)</u>	<u>\$ 1.5</u>
Cash and cash equivalents:			
End of year	\$ 0.8	\$ 0.9	\$ 1.9
Beginning of year	0.9	1.9	0.4
(Decrease) increase	<u>\$ (0.1)</u>	<u>\$ (1.0)</u>	<u>\$ 1.5</u>

(a) Includes dividends received from unconsolidated subsidiaries of \$186.4, \$155.2 and \$156.0 for the years ended September 30, 2014, 2013 and 2012, respectively.

UGI CORPORATION AND SUBSIDIARIES
SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
(Millions of dollars)

	Balance at beginning of year	Charged (credited) to costs and expenses	Other	Balance at end of year
Year Ended September 30, 2014				
Reserves deducted from assets in the consolidated balance sheet:				
Allowance for doubtful accounts	\$ 39.5	\$ 43.5	\$ (43.0) (1)	\$ 39.1
			(0.9) (2)	
Other reserves:				
Deferred tax assets valuation allowance	\$ 97.6	\$ 0.4	\$ (34.0) (3)	\$ 59.2
			(4.8) (4)	
Year Ended September 30, 2013				
Reserves deducted from assets in the consolidated balance sheet:				
Allowance for doubtful accounts	\$ 36.1	\$ 30.2	\$ (27.4) (1)	\$ 39.5
			0.6 (2)	
Other reserves:				
Deferred tax assets valuation allowance	\$ 77.0	\$ (5.7)	26.3 (3)	\$ 97.6
Year Ended September 30, 2012				
Reserves deducted from assets in the consolidated balance sheet:				
Allowance for doubtful accounts	\$ 36.8	\$ 26.5	\$ (26.8) (1)	\$ 36.1
			(0.4) (2)	
Other reserves:				
Deferred tax assets valuation allowance	\$ 78.2	\$ (4.0)	\$ 2.8 (5)	\$ 77.0

- (1) Uncollectible accounts written off, net of recoveries.
(2) Effects of currency exchange.
(3) Foreign tax credit valuation allowance adjustment.
(4) Decrease in unusable foreign operating loss carryforwards.
(5) Acquisition.

EXHIBIT INDEX

Exhibit No.	Description
10.28	Description of oral compensation arrangements for Messrs. Walsh, Hall, and Oliver and Ms. Gaudiosi.
10.30	Summary of Director Compensation as of October 1, 2014.
10.69	Senior Secured Bridge Facility Agreement dated as of October 17, 2014 by and between UGI International Enterprises, Inc., as borrower, Credit Suisse AG, London Branch, Bank of America Merrill Lynch International Limited and Natixis, New York Branch, as mandated lead arrangers, and Credit Suisse AG, Cayman Island Branch, as agent and security agent.
10.70	Guarantee dated as of October 17, 2014 by and between UGI Corporation and Credit Suisse AG, Cayman Island Branch, as agent.
21	Subsidiaries of the Registrant
23	Consent of PricewaterhouseCoopers LLP
31.1	Certification by the Chief Executive Officer relating to the Registrant's Report on Form 10-K for the fiscal year ended September 30, 2014 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-K for the fiscal year ended September 30, 2014 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-K for the fiscal year ended September 30, 2014, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Labels Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

UGI CORPORATION
DESCRIPTION OF COMPENSATION ARRANGEMENT
FOR
JOHN L. WALSH

John L. Walsh is President and Chief Executive Officer of UGI Corporation. Mr. Walsh has an oral compensation arrangement with UGI Corporation which includes the following:

Mr. Walsh:

1. is entitled to an annual base salary, which for fiscal year 2014 was \$1,028,300;
2. participates in UGI Corporation's annual bonus plan, with bonus payable based on the achievement of pre-approved financial and/or business performance objectives that support business plans and strategic goals;
3. participates in UGI Corporation's long-term compensation plans, UGI Corporation's 2004 Omnibus Equity Compensation Plan, as amended, and UGI Corporation's 2013 Omnibus Incentive Compensation Plan, with annual awards as determined by the UGI Corporation Compensation and Management Development Committee;
4. will receive cash benefits upon termination of his employment without cause following a change in control of UGI Corporation; and
5. participates in UGI Corporation's benefit plans, including the UGI Pension Plan, Senior Executive Employee Severance Plan, Supplemental Executive Retirement Plan, UGI Savings Plan, and Supplemental Savings Plan.

UGI CORPORATION
DESCRIPTION OF COMPENSATION ARRANGEMENT
FOR
KIRK R. OLIVER

Kirk R. Oliver is Chief Financial Officer of UGI Corporation. Mr. Oliver has an oral compensation arrangement with UGI Corporation which includes the following:

Mr. Oliver:

1. is entitled to an annual base salary, which for fiscal year 2014 was \$522,730;
2. participates in UGI Corporation's annual bonus plan, with bonus payable based on the achievement of pre-approved financial and/or business performance objectives that support business plans and strategic goals;
3. participates in UGI Corporation's long-term compensation plans, UGI Corporation's 2004 Omnibus Equity Compensation Plan, as amended, and UGI Corporation's 2013 Omnibus Incentive Compensation Plan, with annual awards as determined by the UGI Corporation Compensation and Management Development Committee;
4. will receive cash benefits upon termination of his employment without cause following a change in control of UGI Corporation; and
5. participates in UGI Corporation's benefit plans, including the Senior Executive Employee Severance Plan, 2009 Supplemental Executive Retirement Plan for New Employees, and UGI Savings Plan.

UGI CORPORATION
DESCRIPTION OF COMPENSATION ARRANGEMENT
FOR
MONICA M. GAUDIOSI

Monica M. Gaudiosi is Vice President, General Counsel and Secretary of UGI Corporation. Ms. Gaudiosi has an oral compensation arrangement with UGI Corporation which includes the following:

Ms. Gaudiosi:

1. is entitled to an annual base salary, which for fiscal year 2014 was \$420,290;
2. participates in UGI Corporation's annual bonus plan, with bonus payable based on the achievement of pre-approved financial and/or business performance objectives that support business plans and strategic goals;
3. participates in UGI Corporation's long-term compensation plans, UGI Corporation's 2004 Omnibus Equity Compensation Plan, as amended, and UGI Corporation's 2013 Omnibus Incentive Compensation Plan, with annual awards as determined by the UGI Corporation Compensation and Management Development Committee;
4. will receive cash benefits upon termination of her employment without cause following a change in control of UGI Corporation; and
5. participates in UGI Corporation's benefit plans, including the Senior Executive Employee Severance Plan, 2009 Supplemental Executive Retirement Plan for New Employees, and UGI Savings Plan.

UGI CORPORATION
DESCRIPTION OF COMPENSATION ARRANGEMENT
FOR
BRADLEY C. HALL

Bradley C. Hall is Vice President – New Business Development of UGI Corporation. Mr. Hall has an oral compensation arrangement with UGI Corporation which includes the following:

Mr. Hall:

1. is entitled to an annual base salary, which for fiscal year 2014 was \$372,600;
2. participates in UGI Corporation's annual bonus plan, with bonus payable based on the achievement of pre-approved financial and/or business performance objectives that support business plans and strategic goals;
3. participates in UGI Corporation's long-term compensation plans, UGI Corporation's 2004 Omnibus Equity Compensation Plan, as amended, and UGI Corporation's 2013 Omnibus Incentive Compensation Plan, with annual awards as determined by the Compensation and Management Development Committee;
4. will receive cash benefits upon termination of his employment without cause following a change in control of UGI Corporation; and
5. participates in UGI Corporation's benefit plans, including the UGI Pension Plan, Senior Executive Employee Severance Plan, Supplemental Executive Retirement Plan, UGI Savings Plan, and Supplemental Savings Plan.

UGI CORPORATION
SUMMARY OF DIRECTOR COMPENSATION

The table below shows the components of director compensation effective October 1, 2014. A director who is an officer or employee of the Registrant or its subsidiaries is not compensated for service on the Board of Directors or on any Committee of the Board.

DIRECTORS' COMPENSATION

	<u>CASH</u> <u>COMPONENT</u>	<u>EQUITY</u> <u>COMPONENT</u> ⁽¹⁾⁽²⁾
Annual Retainer for Non-Employee Directors (except Mr. Greenberg)	\$77,000	2,500 Stock Units 7,500 Options for the purchase of shares of common stock of the Registrant.
Annual Retainer for Non-Executive Chairman ⁽³⁾	\$400,000	
Additional Annual Retainer for Audit Committee Members (other than the Chairperson)	\$5,000	
Additional Annual Retainer for Audit Committee Chairperson	\$15,000	
Additional Annual Retainer for Compensation and Management Development Committee Chairperson	\$15,000	
Additional Annual Retainer for Corporate Governance Committee Chairperson	\$10,000	
Additional Annual Retainer for Safety, Environmental and Regulatory Compliance Committee Chairperson	\$7,500	
Additional Annual Retainer for Presiding Director	\$20,000	

(1) Stock Units and Options are granted under the UGI Corporation 2004 Omnibus Equity Compensation Plan Amended and Restated as of December 5, 2006 and the UGI Corporation 2013 Omnibus Incentive Compensation Plan.

- (2) Stock Units and Stock Options to be awarded January 2015.
- (3) Mr. Greenberg will not receive any equity compensation for his services as Non-Executive Chairman.

Dated 17 October 2014

For

UGI INTERNATIONAL ENTERPRISES, INC.

arranged by

CREDIT SUISSE AG, LONDON BRANCH

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED

and

NATIXIS, NEW YORK BRANCH

as Mandated Lead Arrangers

with

CREDIT SUISSE AG, CAYMAN ISLAND BRANCH

acting as Agent

and

CREDIT SUISSE AG, CAYMAN ISLAND BRANCH

acting as Security Agent

SENIOR SECURED BRIDGE FACILITY AGREEMENT

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THIS AGREEMENT is dated 17 October 2014 and made between:

- (1) **UGI INTERNATIONAL ENTERPRISES, INC.** as borrower (the "**Borrower**");
- (2) **CREDIT SUISSE AG, LONDON BRANCH, BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED and NATIXIS, NEW YORK BRANCH** as mandated lead arrangers (whether acting individually or together, the "**Arranger**");
- (3) **THE FINANCIAL INSTITUTIONS** listed in Part II of Schedule 1 (*The Original Parties*) as lenders (the "**Original Lenders**");
- (4) **CREDIT SUISSE AG, CAYMAN ISLAND BRANCH** as agent of the other Finance Parties (the "**Agent**"); and
- (5) **CREDIT SUISSE AG, CAYMAN ISLAND BRANCH** as security trustee for the Secured Parties (the "**Security Agent**").

IT IS AGREED as follows:

SECTION 1 INTERPRETATION

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

"Acceptable Bank" means:

- (a) each Original Lender and/or its Affiliate;
- (b) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A or higher by S&P or Fitch or A2 or higher by Moody's or a comparable rating from an internationally recognised credit rating agency; or
- (c) any other bank or financial institution approved by the Agent from time to time.

"Accountants' Report" means the financial due diligence report by KPMG dated 29 April 2014 relating to the Target and its Subsidiaries and addressed to, and/or capable of being relied upon, by the Reliance Parties.

"Accounting Principles" means:

- (a) in respect of the Parent Guarantor, generally accepted accounting principles in the USA; and
- (b) in respect of the Borrower, generally accepted accounting principles in the USA and/or IFRS.

"Acquisition" means the acquisition by Bidco of 100% of the Target Shares.

"Acquisition Agreement" means the share purchase agreement in the form provided to the Lenders on 30 September 2014 and made between the Vendor and Bidco.

"Acquisition Costs" means all fees, commissions, costs and expenses, stamp, registration and other Taxes incurred by the Borrower or any other member of the Group in connection with the Acquisition or the negotiation, preparation, execution, notarisation and registration of the Finance Documents, together with all fees, commissioner costs and expenses incurred by the Target Group in connection with the Finance Documents.

"Acquisition Documents" means the Acquisition Agreement and any other document designated as an "Acquisition Document" by the Agent and the Borrower.

"Agent's Spot Rate of Exchange" means the Agent's spot rate of exchange for the purchase of the relevant currency with the relevant Base Currency in the London foreign exchange market at or about 11:00 a.m. on a particular day.

"Affiliate" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

"Annual Financial Statements" has the meaning given to it in Clause 20 (*Information Undertakings*).

"Anti-Corruption Laws" means any anti-corruption or bribery law, rule, or regulation of any jurisdiction applicable to any of the Parent Guarantor, the Borrower and each other member of the Group, including, without limitation, the United Kingdom's Bribery Act of 2010, enacted into force on April 8, 2010; the Council of Europe Criminal Law Convention on Corruption entered into force July 1, 2002; the Council of Europe Civil Law Convention on Corruption entered into force November 1, 2003; the United Nations Convention against Corruption adopted October 31, 2003; the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions adopted November 21, 1997; the U.S. Foreign Corrupt Practices Act of 1977 (as amended), and any implementing legislation with respect to any of the above, including any laws, statutes, regulations and rules issued by any governmental authority of similar purpose and scope.

"Anti-Money Laundering Laws" means the Bank Secrecy Act and implementing regulations and the applicable anti-money laundering statutes of jurisdictions where any of the Parent Guarantor, the Borrower and its Subsidiaries conduct business and the rules and regulations thereunder.

"Anti-Terrorism Laws" means any applicable law or regulation related to money laundering or financing terrorism including without limitation (i) the Patriot Act, (ii) the Bank Secrecy Act, (iii) the Trading with the Enemy Act (50 U.S.C. § 1 et seq., as amended) and Executive Order 13224 (effective September 24, 2001) and (iv) the Money Laundering Control Act of 1986.

"Applicable High Yield Standard Indenture" means the standard for indentures in the European high-yield market for issuers of comparable credit rating, taking into account the prevailing market conditions.

"Applicable Premium" means, with respect to any Exchange Note or Takeout Demand Failure Bridge Loan (as the case may be) on any date prior to the third (3rd) anniversary of the Closing Date, the greater of:

- (a) 1% of the principal amount of such Exchange Note or Takeout Demand Failure Bridge Loan (and any Bridge Term Loan upon issuance in exchange for such Takeout Demand Failure Bridge Loan) (as the case may be); and
- (b) the excess (to the extent positive) of:
 - (i) the present value at such date of (1) the price of such Exchange Note, or Takeout Demand Failure Bridge Loan (and any Bridge Term Loan upon issuance in exchange for such Takeout Demand Failure Bridge Loan) (as the case may be) at the third (3rd) anniversary of the Closing Date of par plus the premium set forth in the table in paragraph (b)(iv)(C) of Clause 6.4 (*Exchange of Bridge Term Loan for Exchange Notes*) excluding accrued and unpaid interest, plus (2) all required interest payments due on such Exchange Note or Takeout Demand Failure Bridge Loan (and any Bridge Term Loan upon issuance in exchange for such Takeout Demand Failure Bridge Loan) (as the case may be) to but excluding the third (3rd) anniversary of the Closing Date, computed at such date using a discount rate equal to the Bund Rate at such date plus 50 basis points; over
 - (ii) the outstanding principal amount of such Exchange Note or Takeout Demand Failure Bridge Loan (and any Bridge Term Loan upon issuance in exchange for such Takeout Demand Failure Bridge Loan) (as the case may be),

as calculated by the Borrower or on behalf of the Borrower by such person as the Borrower shall designate.

"Asset Management Affiliate" means a person established primarily for the purpose of making, purchasing or investing in loans or debt securities that manages assets on behalf of third parties that are not Affiliates of a Lender and which is managed or controlled independently (and where customary information barriers are in place) from funds or partnerships managed or controlled by a Lender or any of its Affiliates.

"Asset Sale" has the meaning given to that term in Part 1 (*New York Law Definitions*) of Schedule 9 (*Restrictive Covenants and Events of Default*).

"Assignment Agreement" means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee provided that if that other form does not contain the undertaking set out in the form set out in Schedule 5 (*Form of Assignment Agreement*) it shall not be a Creditor/Agent Accession Undertaking as defined in, and for the purposes of, the Intercreditor Agreement.

"Auditors" means an internationally recognised firm of independent accountants or any other firm approved by the Majority Lenders (such approval not to be unreasonably withheld or delayed).

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

"Availability Period" means the period from and including the date of this Agreement to and including the earlier of (a) the end of the Certain Funds Period and (b) the Bridge Facility Refinancing Date (or such other date as may be agreed between the Borrower and all of the Arrangers).

"Available Commitment" means, in relation to the Facility, a Lender's Commitment minus its participation in any outstanding Loan under the Facility.

"Available Facility" means the aggregate for the time being of each Lender's Available Commitment.

"Bank Levy" means (i) the UK bank levy as set out in the Finance Act 2011; (ii) the French "**taxe bancaire de risque systémique**" as set out in Article 235 ter ZE of the French general tax code (code général des impôts); and (iii) any substantially similar bank levy in any other jurisdiction to those referred to in (i) or (ii) above already in existence at the date of this Agreement.

"Bank Secrecy Act" means the Currency and Foreign Transactions Reporting Act, Pub. L. No. 91-508, Title II (1970), as amended by Title III of the Patriot Act.

"Base Case Model" means the financial model in agreed form as emailed to the Arrangers by the Borrower on 10 October 2014 with the Excel attachment entitled "9.15.2014 v27".

"Base Currency" means Euro.

"Bidco" means UGI Bordeaux Holdings SAS, a société par actions simplifiée, incorporated under the laws of France, having its registered office at Immeuble les Renardières, 3 place de Saverne, 92400 Courbevoie, and registered with the Nanterre Trade and Companies Register under number 452 431 232.

"Break Costs" means the amount (if any) by which:

- (a) the interest (excluding the Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in the Loan or Unpaid Sum to the last day of the current Interest Period in respect of the Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank in the Relevant Interbank Market for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"Bridge Facility Fee Letter" means the fee letter dated 1 July 2014 among the Borrower, the Arrangers, the Original Lenders and the Agent, as amended from time to time.

"Bridge Facility Refinancing Date" means the date on which the Commitments under the Facility have been reduced to zero with the proceeds of one or more offerings of Senior Secured Notes.

"Bridge Term Loan" has the meaning given to that term in Clause 6.2 (*Bridge Term Loan*).

"Bund Rate" means as of any date, the rate per annum equal to the equivalent yield to maturity as of such date of the Comparable German Bund Issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such relevant date, where:

- (a) **"Comparable German Bund Issue"** means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such date to the third anniversary of the Closing Date, and that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Loan and of a maturity most nearly equal to the third anniversary of the Closing Date; provided, however, that, if the period from such date to the third anniversary of the Closing Date is less than one year, a fixed maturity of one year shall be used;
- (b) **"Comparable German Bund Price"** means, with respect to any relevant date, the average of all Reference German Bund Dealer Quotations for such date (which, in any event, must include at least two such quotations), after excluding the highest and lowest such

Reference German Bund Dealer Quotations, or if the Borrower obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

- (c) **"Reference German Bund Dealer"** means any dealer of German Bundesanleihe securities appointed by the Borrower in good faith; and
- (d) **"Reference German Bund Dealer Quotations"** means, with respect to each Reference German Bund Dealer and any relevant date, the average as determined by the Borrower of the bid and offered prices for the Comparable German Bund Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Borrower by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany time on the third Business Day preceding the relevant date.

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in London, Paris, Frankfurt am Main (solely for the purposes of calculating Business Days under paragraph (b) of Clause 6.4 (*Exchange of Bridge Term Loan for Exchange Notes*) and paragraph (b) of Clause 7.3 (*Voluntary Prepayment of Loan*)), New York and:

- (a) (in relation to any date for payment or purchase of a currency other than Euro) the principal financial centre of the country of that currency; or
- (b) (in relation to any date for payment or purchase of Euro) any TARGET Day.

"Certain Funds Event of Default" means in relation to a Certain Funds Loan:

- (a) the documents and other evidence required to be delivered under Clause 4.1 (*Initial conditions precedent*) have not been delivered in form and substance satisfactory to the Agent (acting reasonably);
- (b) a Major Representation is not true and correct in any material respect on the date first made and on the date that Certain Funds Loan is made (save to the extent such Major Representation is already qualified by materiality);
- (c) a Major Default is continuing or will result from the making of that Certain Funds Loan;
- (d) there has been a Change of Control or a sale of all or substantially all of the assets or business of the Group (whether in a single transaction or series of transactions);
- (e) the Borrower or Bidco fails to exercise any right under an Acquisition Document to terminate the Acquisition following the occurrence of an event, matter or circumstance that would entitle any of them to exercise such termination right without the prior written consent of all of the Arrangers; or
- (f) it is or it becomes contrary to any law or regulation in an applicable jurisdiction for that Lender to fund, issue or maintain the proposed Certain Funds Utilisation or to participate in it (which shall only affect that Lender's obligation to fund).

"Certain Funds Loan" means the Loan made or to be made under the Facility during the Certain Funds Period.

"Certain Funds Period" means the period commencing on the date of this Agreement and ending on the earliest of (i) 6.00 p.m. on the Closing Date; and (ii) 6.00 p.m. on 30 January 2015.

"Certain Funds Utilisation" means the Loan made or to be made during the Certain Funds Period.

"Change of Control" means:

- (a) prior to the Changeover Date:
 - (i) any person or group of persons acting in concert gains direct or indirect control of the Parent Guarantor; or
 - (ii) the Parent Guarantor ceases to directly or indirectly beneficially own 100 per cent. of the issued share capital of the Borrower and/or ceases to have the ability to determine the composition of the majority of the board of directors or equivalent body of the Borrower; or
 - (i) the Borrower ceases to directly or indirectly beneficially own 100 per cent. of the issued share capital of the Target and/or ceases to have the ability to determine the composition of the majority of the board of directors or equivalent body of the Target.

For the purposes of this definition:

"control" of the Parent Guarantor means:

- (i) the power (whether by way of ownership of shares, proxy, contract, agency or otherwise) to:
 - (A) cast, or control the casting of, more than 30% of the maximum number of votes that might be cast at a general meeting of the Parent Guarantor;
 - (B) appoint or remove all, or the majority, of the directors or other equivalent officers of the Parent Guarantor; or
 - (C) give directions with respect to the operating and financial policies of the Parent Guarantor with which the directors or other equivalent officers of the Parent Guarantor are obliged to comply; or
- (ii) the holding beneficially of more than 30% of the issued share capital of the Parent Guarantor (excluding any part of that issued share capital that carries no right to participate beyond a specified amount in a distribution of either profits or capital); and

"acting in concert" means, a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Parent Guarantor by any of them, either directly or indirectly, to obtain or consolidate control of the Parent Guarantor;

(b) after the Changeover Date, a **"Change of Control"** as defined in Schedule 9 (*Restrictive Covenants and Events of Default*).

"Changeover Date" means the earlier of (i) the Initial Maturity Date and (ii) the Full Takeout Demand Failure (as defined in Part I (*New York Law Definitions*) of Schedule 9 (*Restrictive Covenants and Events of Default*)).

"Charged Property" means all of the assets of the Obligors which from time to time are, or are expressed to be, the subject of the Transaction Security.

"Clean-Up Date" means the date falling 60 days after the Closing Date.

"Clean-Up Default" means any Default or any Event of Default (other than clauses (7) and (8) under Part IV (*Events of Default*) of Schedule 9 (*Restrictive Covenants and Events of Default*) and Clause 22.7 (*Unlawfulness and invalidity*)), subsisting on the Closing Date but prior to the Clean-Up Date to the extent that it (or any representation or undertaking or Event of Default relating thereto) relates to the Target or any of its Subsidiaries, provided that:

- (a) no Material Adverse Effect has occurred or could reasonably be expected to occur as a result of the occurrence of that Clean-Up Default;
- (b) that Clean-Up Default has not been knowingly procured or approved by the Borrower; and
- (c) that Clean-Up Default is capable of being remedied prior to the Clean-Up Date and reasonable steps are being made to remedy it.

"Closing Date" means the date on which Completion occurs.

"Code" means the US Internal Revenue Code of 1986, as amended.

"Commitment" means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading "Commitment" in Part II of Schedule 1 (*The Original Parties*) and the amount of any other Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*); and
- (b) in relation to any other Lender, the amount of any Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

"Commodity Exchange Act" means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

"Completion" means the completion of the Acquisition in accordance with the Acquisition Agreement.

"Confidential Information" means all information relating to any Obligor, the Parent Guarantor, the Group, the Target Group, the Finance Documents, the Acquisition, the Facility or the Senior Secured Notes of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

- (a) any member of the Group, the Target Group or any of its Affiliates or advisers, or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or the Target Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 36 (*Confidentiality*); or
- (ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or the Target Group or any of its advisers; or
- (iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group or the Target Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

"Confidentiality Undertaking" means a confidentiality undertaking substantially in a recommended form of the LMA or in any other form agreed between the Borrower and the relevant Lender.

"Constitutional Documents" means the constitutional documents of the Borrower, the Parent Guarantor and Bidco.

"Conversion Date" means any the date on which a Lender shall be required to extend the Repayment Date in accordance with Clause 6.2 (*Bridge Term Loans*).

"Debt Purchase Transaction" means, in relation to a person, a transaction where such person:

- (a) purchases by way of assignment or transfer;
 - (b) enters into any sub-participation in respect of; or
 - (c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,
- any Commitment or amount outstanding under this Agreement.

"Default" means an Event of Default or any event or circumstance specified in Clause 22 (*Events of Default*) (including, for the avoidance of doubt the Events of Default set out in Part IV of Schedule 9 (*Restrictive Covenants and Events of Default*)) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing in each case as specified in Clause 22 (*Events of Default*)) be an Event of Default provided that any such event or circumstance which expressly requires the satisfaction of any condition as to materiality before it may become an Event of Default shall not be a Default until such condition is satisfied.

"Defaulting Lender" means any Lender (other than a Lender which is a Sponsor Affiliate):

- (a) which has failed to make its participation in the Loan available or has notified the Agent or the Borrower (which has notified the Agent) that it will not make its participation in the Loan available by the Utilisation Date of the Loan in accordance with Clause 5.4 (*Lenders' participation*);
- (b) which has otherwise rescinded or repudiated a Finance Document; or
- (c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
 - (A) administrative or technical error; or
 - (B) a Disruption Event; andpayment is made within three Business Days of its due date; or
- (ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question.

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Security Agent.

"Disposal" means any sale, lease, transfer or other disposal of any assets, whether in a single transaction or series of transactions (whether related or not) and whether voluntary or involuntary.

"Disruption Event" means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (iv) from performing its payment obligations under the Finance Documents; or
 - (v) from communicating with other Parties in accordance with the terms of the Finance Documents,and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

"EBITDA" means, for the most recent fiscal year, the consolidated operating profit before Taxation (excluding the results from discontinued operations):

- (a) before deducting any interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments whether paid, payable or capitalised in respect of that relevant period;
- (b) not including any accrued interest owing to any member of the Restricted Group;
- (c) after adding back any amount attributable to the amortisation, depreciation or impairment of assets (and taking no account of the reversal of any previous impairment charge made in that fiscal year);
- (d) before taking into account any exceptional, one-off, non-recurring or extraordinary items;
- (e) before deducting any Acquisition Costs;
- (f) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Restricted Group which is attributable to minority interests;

- (g) after deducting the amount of any profit of a Non-Restricted-Group Entity in which a member of the Restricted Group has an ownership interest to the extent that the amount of such profit included in the financial statements of the Restricted Group exceeds the amount actually received in cash by members of the Restricted Group through distributions by the Non-Restricted-Group Entity;
- (h) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instrument which is accounted for on a hedge accounting basis);
- (i) before taking into account any gain or loss arising from an upward or downward revaluation of any other asset at any time after 30 September 2013; and
- (j) before taking into account any gain arising from any Debt Purchase Transaction entered into by a member of the Group.

"Environment" means humans, animals, plants and all other living organisms, including the ecological systems of which they form part and the following media:

- (a) air (including, without limitation, air within natural or man-made structures, whether above or below ground);
- (b) water (including, without limitation, territorial, coastal and inland waters, water under or within land and water in drains and sewers); and
- (c) land (including, without limitation, land under water).

"Environmental Claim" means any claim, proceeding, formal notice or investigation by any person in respect of any Environmental Law.

"Environmental Law" means any applicable law or regulation which relates to:

- (a) the pollution or protection of the Environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the Environment, including, without limitation, any waste.

"Environmental Permits" means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Restricted Group conducted on or from the properties owned or used by any member of the Restricted Group.

"Environmental Report" means the environmental report by Environ dated 10 March 2014 relating to the Target and its Subsidiaries and addressed to, and/or capable of being relied upon, by the Reliance Parties.

"Equity Documents" means the Shareholder Loan Instruments, the Constitutional Documents (other than the constitutional documents of the Parent Guarantor) and any other document designated as an equity document by the Borrower and the Agent.

"ERISA" means the Employee Retirement Income Security Act of 1974 of the United States of America, as amended from time to time, and any applicable regulations promulgated thereunder.

"ERISA Affiliate", with respect to any Obligor, means any person that for the purposes of Title IV of ERISA is from time to time a member of the controlled group of any Obligor or under common control with any Obligor within the meaning of section 414 of the Code.

"ERISA Event" means:

- (a) (iii) the occurrence of a reportable event, within the meaning of section 4043(c) of ERISA, with respect to any Plan unless the 30-day notice requirement with respect to such event has been waived by the PBGC; or
- (iv) the requirements of section 4043(b) of ERISA applied with respect to a contributing sponsor, as defined in section 4001(a)(13) of ERISA, of a Plan, and an event described in paragraph (9), (10), (11), (12) or (13) of section 4043(c) of ERISA is reasonably expected to occur with respect to such Plan within the following 30 days;
- (b) the application for a minimum funding waiver with respect to a Plan;
- (c) the provision by the administrator of any Plan of a notice of intent to terminate such Plan pursuant to section 4041(a)(2) of ERISA (including any such notice with respect to a plan amendment referred to in section 4041(e) of ERISA);
- (d) the cessation of operations at a facility of any Obligor or any ERISA Affiliate in the circumstances described in section 4062(e) of ERISA;
- (e) the withdrawal by any Obligor or any ERISA Affiliate from a Plan during a plan year for which it was a substantial employer, as defined in section 4001(a)(2) of ERISA;
- (f) the conditions for imposition of a lien under section 303(k) of ERISA shall have occurred with respect to any Plan;
- (g) the adoption of an amendment to a Plan requiring the provision of security to such Plan pursuant to section 307 of ERISA; or
- (h) the institution by the PBGC of proceedings to terminate a Plan pursuant to section 4042 of ERISA, the termination of, or the appointment of a trustee to administer, such Plan.

"EURIBOR" means, in relation to the Loan in Euro:

(a) the applicable Screen Rate;

(b) (if no Screen Rate is available for the Interest Period of the Loan) the Interpolated Screen Rate for the Loan,

as of the Specified Time on the Quotation Day for euro and for a period equal in length to the Interest Period of the Loan and, if that rate is less than zero, EURIBOR shall be deemed to be zero.

"Euro", "EUR" or "C" means the single currency of a Participating Member State.

"Event of Default" means any event or circumstance specified as such in Clause 22 (*Events of Default*).

"Exchange" has the meaning given to it in Clause 6.4 (*Exchange Notes of Bridge Term Loan for Exchange Notes*).

"Exchange Date" means the date an Exchange occurs pursuant to this Agreement.

"Exchange Notes" means the note (or, if more than one such note is outstanding a note) to be issued under the Exchange Notes Indenture in exchange for any portion of the Loan on or after the Initial Maturity Date.

"Exchange Notes Indenture" means an indenture to be entered into between, among others, the Borrower and the Exchange Notes Trustee in accordance with Clause 6.4(a) (*Exchange Notes Indenture*).

"Exchange Notes Trustee" means a trustee acceptable to the Borrower and the Agent which agrees to act as trustee pursuant to the Exchange Notes Indenture on the terms thereof.

"Exchange Request" means a written or telecopy notice in the form attached hereto as Schedule 10 (*Form of Exchange Request*).

"Extension Default" means the occurrence of any Event of Default under any of clauses (7) or (8) of Part IV (*Events of Default and Remedies*) of Schedule 9 (*Restrictive Covenants and Events of Default*) and Clause 22.2 (*Non-Payment*) in relation to an Obligor or the Parent Guarantor that remains unremedied and unwaived.

"Facility" means the credit facility made available under this Agreement as described in Clause 2.1 (*The Facility*).

"Facility Office" means:

- (a) in respect of a Lender, the office or offices notified by that Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement; or
- (b) in respect of any other Finance Party, the office in the jurisdiction in which it is resident for tax purposes.

"FATCA" means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

"FATCA Application Date" means:

- (a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014;
- (b) in relation to a "withholdable payment" described in section 1473(1)(A)(ii) of the Code (which relates to "gross proceeds" from the disposition of property of a type that can produce interest from sources within the US), 1 January 2017; or
- (c) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraphs (a) or (b) above, 1 January 2017,

or, in each case, such other date from which such payment may become subject to a deduction or withholding required by FATCA as a result of any change in FATCA after the date of this Agreement.

"FATCA Deduction" means a deduction or withholding from a payment under a Finance Document required by FATCA.

"FATCA Exempt Party" means a Party that is entitled to receive payments free from any FATCA Deduction.

"Fee Letter" means:

- (a) the Bridge Facility Fee Letter and any letter or letters dated on or about the date of this Agreement between the Arranger and the Borrower (or the Agent and the Borrower or the Security Agent and the Borrower) setting out any of the fees referred to in Clause 13 (*Fees*); and
- (b) any agreement setting out fees payable to a Finance Party referred to in paragraph (e) of Clause 2.2 (*Increase*) of this Agreement or under any other Finance Document.

"Final Maturity Date" means the date falling seven years after the Closing Date.

"Finance Document" means this Agreement, the UGI Guarantee, any Fee Letter, the Intercreditor Agreement, any Transaction Security Document, the Utilisation Request and any other document designated as a "Finance Document" by the Agent and the Borrower.

"Finance Lease" means any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease.

"Finance Party" means the Agent, an Arranger, the Security Agent or a Lender.

"Financial Indebtedness" means any indebtedness for or in respect of (and without double counting):

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptance under any acceptance credit or bill discounting facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument (but not Trade Instruments);
- (d) the amount of any liability in respect of Finance Leases;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under the Accounting Principles);
- (f) any Treasury Transaction (and, when calculating the value of that Treasury Transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that Treasury Transaction, that amount) shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability (but not, in any case, Trade Instruments) of an entity which is not a member of the Restricted Group which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the Repayment Date (or are otherwise classified as borrowings under the Accounting Principles);
- (i) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reason behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 120 days after the date of supply to it;
- (j) any amount raised under any other transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under the Accounting Principles; and
- (k) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above,

but excluding Financial Indebtedness owed by a Restricted Subsidiary to another Restricted Subsidiary.

"Financial Quarter" means the period commencing on the day after one Quarter Day and ending on the next Quarter Day.

"Fitch" means Fitch Ratings Ltd.

"Funds Flow Statement" means the funds flow statement in the agreed form.

"Governmental Authority" means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Group" means the Borrower (including Target from the date of first utilisation of the Loan) and each of its Subsidiaries for the time being.

"Group Structure Chart" means the group structure chart in the agreed form.

"Holder" has the meaning given to such term in the Exchange Notes Indenture.

"Holding Company" means, in relation to a person, any other person in respect of which it is a Subsidiary.

"IFRS" has the meaning given to that term in Part 1 (*New York Definitions*) at Schedule 9 (*Restrictive Covenants and Events of Default*).

"Impaired Agent" means the Agent at any time when:

- (a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) the Agent otherwise rescinds or repudiates a Finance Document;
- (c) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of "Defaulting Lender"; or
- (d) an Insolvency Event has occurred and is continuing with respect to the Agent,

unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within three Business Days of its due date; or

(ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

"Increase Confirmation" means a confirmation substantially in the form set out in Schedule 7 (*Form of Increase Confirmation*).

"Increase Lender" has the meaning given to that term in Clause 2.2 (*Increase*).

"Indebtedness" has the meaning given to it in Schedule 9 (*Restrictive Covenants and Events of Default*).

"Information Memorandum" means the document in the form approved by the Borrower concerning the Parent Guarantor and the Group prepared at the request of Borrower and on its behalf and distributed by the Arranger in connection with the syndication of the Facility.

"Information Package" means the Reports and the Base Case Model.

"Initial Loan" means, prior to the extension in accordance with Clause 6.2 (*Bridge Term Loan*), the loan made available by the Lenders to the Borrowers on the Utilisation Date pursuant to a Utilisation Request.

"Initial Maturity Date" means the date falling 12 months after the Closing Date.

"Insolvency Event" in relation to an entity means that the entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:
 - (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
 - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);
- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or
- (j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

"Insufficiency" means, with respect to any Plan, the amount, if any, of its unfunded benefit liabilities, as defined in section 4001(a)(18) of ERISA.

"Insurance Report" means the insurance report dated 13 February 2014, prepared by Marsh relating to the Target and its Subsidiaries and addressed to, and/or capable of being relied upon, by the Reliance Parties.

"Intellectual Property" means:

- (a) any patents, trade marks, service marks, designs, business names, copyrights, database rights, design rights, domain names, moral rights, inventions, confidential information, knowhow and other intellectual property rights and interests (which may now or in the future subsist),

whether registered or unregistered; and

- (b) the benefit of all applications and rights to use such assets of each member of the Group (which may now or in the future subsist).

"Intercreditor Agreement" means the intercreditor agreement dated on or prior to the Closing Date to be entered into between, among others, the Borrower, the Security Agent, the Agent, the Lenders, the Arrangers and the Obligor.

"Intercreditor Principles" means the intercreditor principles agreed between the Borrower and the Original Lenders on or prior to the date of this Agreement.

"Interest Period" means, in relation to the Loan, each period determined in accordance with Clause 11 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 10.3 (*Default interest*).

"Interest Rate Cap" means:

- (a) 6.50 per cent. (or 6.75 per cent. six months after 2 July 2014) if:
- (v) Moody's has issued a rating with respect to the Senior Secured Notes and such rating at the time of the issuance of the Senior Secured Notes is Ba3 or higher with a stable outlook or better; and
 - (vi) Fitch has issued a rating with respect to the Senior Secured Notes and such rating at the time of the issuance of the Senior Secured Notes is BB- or higher with a stable outlook or better; and
- (b) 8.00 per cent. (or 8.50 per cent. six months after 2 July 2014) if the ratings thresholds referred to in (a)(i) and (a)(ii) above have not been met.

"Interpolated Screen Rate" means, in relation to EURIBOR for the Loan, the rate (rounded to the same number of decimal places as the two relevant Screen Rates) which results from interpolating on a linear basis between:

- (a) the applicable Screen Rate for the longest period (for which that Screen Rate is available) which is less than the Interest Period of the Loan; and
- (b) the applicable Screen Rate for the shortest Period (for which that Screen Rate is available) which exceeds the Interest Period of the Loan,
- each as of the Specified Time on the Quotation Day for the currency of the Loan.

"Investment" has the meaning given to that term in Schedule 9 (*Restrictive Covenants and Events of Default*).

"IT Report" means the IT report dated 29 April 2014, prepared by KPMG relating to the Target and its Subsidiaries and addressed to, and/or capable of being relied upon, by the Reliance Parties.

"Joint Venture" means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity in which the interests of all members of the Group are not more than 50%.

"Laws" means all international, foreign, federal, state and local statutes, treaties, rules, regulations, ordinances, codes and administrative or judicial precedents or authorities, including, if consistent therewith, the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration there.

"Legal Due Diligence Report" means the legal due diligence and human resources report dated 30 April 2014 prepared by Gide Loyrette Nouel in relation to the Acquisition and addressed to, and/or capable of being relied upon by, the Reliance Parties.

"Legal Opinion" means any legal opinion delivered to the Agent under Clause 4.1 (*Initial conditions precedent*).

"Legal Reservations" means:

- (a) the principle that equitable remedies (or remedies that are analogous to equitable remedies in other jurisdictions) may be granted or refused at the discretion of a court, the limitation of enforcement by laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration, examinership, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under the Limitation Acts and other applicable statutes of limitation, the possibility that an undertaking to assume liability for or indemnify a person against non-payment of UK stamp duty may be void and defences of set-off or counterclaim;
- (c) the principle that in certain circumstances Security granted by way of fixed charge may be recharacterised as a floating charge or that Security purported to be constituted as an assignment may be recharacterised as a charge;
- (d) the principle that additional interest imposed pursuant to any relevant agreement may be held to be unenforceable on the grounds that it is a penalty and therefore void;
- (e) the principle that an English court may not give effect to an indemnity for legal costs incurred by an unsuccessful litigant;
- (f) the principle that the creation or purported creation of Security over any contract or agreement which is subject to a prohibition on transfer, assignment or charging may be void, ineffective or invalid and may give rise to a breach of the contract or agreement over which Security has purportedly been created;
- (g) similar principles, rights and defences under the laws of any Relevant Jurisdiction; and

(h) any other matters which are set out as qualifications or reservations as to matters of law of general application in the Legal Opinions.

"Lender" means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a Lender in accordance with Clause 2.2 (*Increase*) or Clause 23 (*Changes to the Lenders*),

which in each case has not ceased to be a Lender in accordance with the terms of this Agreement.

"Limitation Acts" means the Limitation Act 1980 and the Foreign Limitation Periods Act 1984.

"LMA" means the Loan Market Association.

"Loan" means the Initial Loan, a Takeout Demand Failure Bridge Loan or a Bridge Term Loan.

"Major Default" means (with respect to each of the Borrower, the Parent Guarantor and Bidco only) any event or circumstance constituting an Event of Default under any of Clause 22.2 (*Non-payment*), Clause 22.3 (*Other Obligations*) insofar as it relates to a breach of any Major Undertaking, Clause 22.4 (*Misrepresentation*) insofar as it relates to a breach of any Major Representation, Clause 22.6 (*Unlawfulness and invalidity*), Clause 22.8 (*Repudiation and rescission of agreements*) and clauses (7) and (8) under Part IV (*Events of Default*) of Schedule 9 (*Restrictive Covenants and Events of Default*) (each inclusive).

"Majority Lenders" means a Lender or Lenders whose Commitments aggregate more than 50% of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 50% of the Total Commitments immediately prior to that reduction).

"Major Representation" means a representation or warranty (with respect to each of the Borrower, the Parent Guarantor and Bidco only) under any of Clauses 19.1 (*General*) to 19.8 (*Insolvency*), 19.18 (*Ranking*), 19.27 (*Anti-Corruption Laws and Sanctions*), 19.28 (*Anti-Terrorism Laws*), 19.29 (*US government regulations*) and 19.31 (*Solvency*) (each inclusive).

"Major Undertaking" means with respect to each of the Borrower and Bidco only, any of Clause 21.8 (*Change of business*), paragraph (b) of Clause 21.18 (*Acquisition and Equity Documents*) and the provisions of the paragraphs entitled "*Restricted Payments*" (with respect to the Borrower only) and "*Merger, Consolidation and Sale of Assets*" of Part II (*General Undertakings and Mandatory Offers*) of Schedule 9 (*Restrictive Covenants and Events of Default*).

"Mandatory Prepayment Account" means an interest bearing account:

- (a) held in London by the Borrower with the Agent or the Security Agent or an Affiliate thereof;
- (b) identified in a letter between the Borrower and the Agent as a Mandatory Prepayment Account;
- (c) subject to Security in favour of the Security Agent which Security is in form and substance satisfactory to the Agent and the Security Agent; and
- (d) from which no withdrawals may be made by any members of the Group except as contemplated by this Agreement,

as the same may be redesignated, substituted or replaced from time to time.

"Margin" means 4.00 per cent per annum for the period from and including the Closing Date to but excluding the date falling three Months after the Closing Date. Thereafter, if the Loan has not been repaid in full within such three Month period, the Margin will increase by 50 basis points from and including the last day of such three Month period and will increase by an additional 50 basis points from and including the last day of each subsequent three Month period until the Initial Loan is repaid in full or the Initial Loan is converted into a Bridge Term Loan in accordance with Clause 6.2 (*Bridge Term Loan*). For the avoidance of doubt, the Margin is subject to the Interest Rate Cap.

"Margin Stock" means Margin Stock or Margin Security within the meaning of Regulation U or Regulation X of the Board of Governors of the Federal Reserve System of the US (or any successor).

"Market Disruption Event" has the meaning given to it in Clause 12.2 (*Market disruption*).

"Material Adverse Effect" means any event or circumstance which (after taking into account all of the relevant circumstances):

- (a) is materially adverse to:
 - (vii) the business, assets or financial condition of the Parent Guarantor Group (taken as a whole);
 - (viii) the ability of the Parent Guarantor and the Obligors (taken as a whole) to perform their payment obligations under the Finance Documents; or
- (b) subject to the Legal Reservations and the completion of any Perfection Requirements which are not overdue, affects the validity or enforceability of, or the effectiveness or ranking of any Security granted or purported to be granted pursuant to any of, the Finance Documents in any way which is materially adverse to the interests of the Finance Parties under the Finance Documents taken as a whole and, if capable of remedy, is not remedied within 15 Business Days of the Borrower becoming aware of the issue or being so notified by the Agent.

"Material Company" means, at any time:

- (a) an Obligor;
- (b) from the date of first utilisation of the Loan, Target;
- (c) a member of the Group:
 - (iii) which holds shares in a Material Company; or
 - (iv) for the most recent fiscal year has earnings before interest, tax, depreciation and amortisation calculated on the same basis as EBITDA representing 5 per cent. or more of EBITDA, or has gross assets or turnover (excluding intra-Group items) representing 5 per cent., or more of the gross assets or turnover of the Restricted Group, calculated on a consolidated basis.

Compliance with the conditions set out in paragraph (c)(ii) above shall be determined by reference to the latest audited financial statements of the Borrower. However, if a Restricted Subsidiary has been acquired since the date as at which the latest audited consolidated financial statements of the Borrower were prepared, the financial statements shall be deemed to be adjusted in order to take into account the acquisition of that Restricted Subsidiary.

A report by the Auditors of the Borrower that a Restricted Subsidiary is or is not a Material Company shall, in the absence of manifest error, be conclusive and binding on all Parties.

"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:

- (a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period. **"Monthly"** shall be construed accordingly.

"Moody's" means Moody's Investor Services, Inc.

"Multiemployer Plan" means a multiemployer plan, as defined in section 4001(a)(3) of ERISA, to which any Obligor or any ERISA Affiliate is making or accruing an obligation to make contributions.

"Multiple Employer Plan" means a single employer plan, as defined in section 4001(a)(15) of ERISA, that is subject to Title IV of ERISA and that (i) is maintained for employees of any Obligor or any ERISA Affiliate and at least one person (other than the Obligors and the ERISA Affiliates) or (ii) was so maintained and in respect of which any Obligor or any ERISA Affiliate could have liability under section 4064 or 4069 of ERISA in the event such plan has been or were to be terminated.

"New Lender" has the meaning given to it in Clause 23.1 (*Assignments and transfers by the Lenders*).

"Non-Consenting Lender" has the meaning given to that term in 35.6 (*Replacement of Lender*).

"Non-Obligor" means a member of the Group that is not an Obligor.

"Non-Restricted Group Entity" means any investment in any entity (which is not itself a member of the Restricted Group (including associates and Joint Ventures)) in which any member of the Restricted Group has an ownership interest.

"Notifiable Debt Purchase Transaction" has the meaning given to that term in paragraph (b) of Clause 24.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Sponsor Affiliates*).

"Notes Issuer" means the Borrower or any of its direct or indirect Subsidiaries (including, after the Closing Date, the Target), Affiliates or any special purpose or orphan companies formed by or at the direction of the Borrower or any of its Affiliates, in each case in its capacity as issuer of the Senior Secured Notes.

"Obligor" means the Borrower or an entity which has provided Transaction Security over any or all of its assets in connection with this Agreement.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury (or any successor thereto).

"Original Financial Statements" means Parent Guarantor's consolidated audited financial statements for the last Financial Year ended 30 September 2013.

"Original Jurisdiction" means, in relation to the Borrower, the Parent Guarantor or Bidco, the jurisdiction under whose laws the Borrower, the Parent Guarantor or Bidco is incorporated as at the date of this Agreement.

"Parent Guarantor" means UGI Corporation, of 460 North Gulph Road, King of Prussia, Pennsylvania, 19406, USA registered in Pennsylvania with registration number 2069197.

"Parent Guarantor Group" means the Parent Guarantor and the Group for the time being.

"Participating Member State" means any member state of the European Union that has the Euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union.

"Party" means a party to this Agreement.

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56 of the United States.

"PBGC" means the Pension Benefit Guaranty Corporation (or any successor).

"Perfection Requirements" means the making or procuring of appropriate registrations, filings, endorsements, stampings and/or notifications of the Transaction Security Documents and/or the Transaction Security created thereunder.

"Permitted Collateral Lien" has the meaning given to that term in Schedule 9 (*Restrictive Covenants and Events of Default*).

"Permitted Lien" means a "Permitted Lien" as defined in Schedule 9 (*Restrictive Covenants and Events of Default*).

"Permitted Refinancing Indebtedness" has the meaning given to it in Schedule 9 (*Restrictive Covenants and Events of Default*).

"Person" means any individual, trustee, corporation, general partnership, limited partnership, limited liability company, joint stock company, trust, unincorporated organisation, bank, business association, firm, joint venture or Governmental Authority.

"Plan" means a Single Employer Plan or a Multiple Employer Plan.

"Quarter Date" means each of 31 March, 30 June, 30 September and 31 December.

"Quasi-Security" means any transaction in which a member of the Restricted Group agrees to:

- (a) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Restricted Group;
- (b) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
- (c) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set off or made subject to a combination of accounts; or
- (d) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

"Quotation Day" means, in relation to any period for which an interest rate is to be determined: two TARGET Days before the first day of that period unless market practice differs in the Relevant Interbank Market for a currency, in which case the Quotation Day for that currency will be determined by the Agent in accordance with market practice in the Relevant Interbank Market (and if quotations would normally be given by leading banks in the Relevant Interbank Market on more than one day, the Quotation Day will be the last of those days).

"Receiver" means a receiver or receiver and manager or administrative receiver of the whole or any part of the Charged Property.

"Reference Banks" means Natixis and any such other banks as may be appointed by the Agent in consultation with the Borrower.

"Related Fund" in relation to a fund (the "**first fund**"), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

"Relevant Interbank Market" means the European interbank market.

"Relevant Jurisdiction" means, in relation to each Obligor and the Parent Guarantor:

- (a) its jurisdiction of incorporation;
- (b) any jurisdiction where any asset subject to or intended to be subject to the Transaction Security to be created by it is situated; and
- (c) the jurisdiction whose laws govern the perfection of any of the Transaction Security Documents entered into by it.

"Reliance Parties" means the Agent, the Arrangers, the Security Agent, each Original Lender and each person which becomes a Lender within 6 months of the Closing Date.

"Repayment Date" means the Initial Maturity Date or, if the Loan is extended into the Bridge Term Loan, the Final Maturity Date.

"Repeating Representations" means each of the representations set out in Clause 19.2 (*Status*) to Clause 19.7 (*Governing law and enforcement*), Clause 19.10 (*No default*), paragraph (f) of Clause 19.11 (*No Misleading Information*), paragraphs (a) and (b) of Clause 19.12 (*Original Financial Statements*) in each case only in respect of the Original Financial Statements, Clause 19.18 (*Ranking*) to Clause 19.20 (*Legal and beneficial ownership*), Clause 19.21 (*Shares*), Clause 19.26 (*Centre of main interests and establishments*), Clause 19.28 (*Anti-Terrorism Laws*) and Clause 19.29 (*US government regulations*).

"Replacement Debt" means Permitted Refinancing Indebtedness where the proceeds are applied within one Business Day of the incurrence of the Permitted Refinancing Indebtedness (provided that the Borrower shall use its reasonable endeavours to procure that it is applied on the same day) in prepayment, purchase, defeasance or redemption of (a) the Senior Secured Notes or any Term Debt; or (b) any Permitted Refinancing Indebtedness.

"Replacement Financing" has the meaning given to that term in Clause 8.3 (*Financing Proceeds*).

"Reports" means the Accountants' Report, the Strategic Report, the Tax Due Diligence Report, the Legal Due Diligence Report, the Environmental Report, the Insurance Report, the IT Report and the Structure Memorandum.

"Representative" means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

"Restricted Group" means the Borrower and each Restricted Subsidiary.

"Restricted Subsidiary" has the meaning given to that term in Schedule 9 (*Restrictive Covenants and Events of Default*).

"S&P" means Standard and Poor's Rating Group, a division of the McGraw Hill Corporation.

"Sanctioned Country" means a country or territory which at any time is the subject or target of any Sanctions.

"Sanctioned Person" means, at any time, any (a) Person listed in any Sanctions-related list of designated Persons maintained by OFAC, the U.S. Department of State, the United Nations Security Council or any similar list maintained by the European Union or any EU member state, (b) any Governmental Authority of any Sanctioned Country, (c) any Person located, organised or resident in a Sanctioned Country or (d) any Person directly or indirectly 50 percent or more owned by, or otherwise controlled by, any Person referenced in clauses (a) or (b).

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union, France or Her Majesty's Treasury of the United Kingdom.

"Screen Rate" means in relation to EURIBOR, the euro interbank offered rate administered by the Banking Federation of the European Union (or any other person which takes over the administration of that rate) for the relevant period displayed on page EURIBOR01 of the Reuters screen (or any replacement Reuters page which displays that rate), or on the appropriate page of such other information service which publishes that rate from time to time in place of Reuters. If such page or service ceases to be available, the Agent may specify another page or service displaying the relevant rate after consultation with the Borrower.

"SEC" means the Securities and Exchange Commission of the United States or any successor thereto.

"Secured Parties" means each Finance Party from time to time party to this Agreement and any Receiver or Delegate.

"Securities" means the debt securities issued pursuant to Clause 6.4 (*Exchange of Bridge Term Loan for Exchange Notes*).

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Securities Notice" means at any time, on no more than three occasions, beginning on the earlier of (a) nine months from 2 July 2014 and (b) the date on which the condition for regulatory approval of the Acquisition is satisfied and ending on the Initial Maturity Date, the notice from an Arranger (appointed on 2 July 2014) to the Borrower which causes the Borrower to issue the Senior Secured Notes to third parties, the Arrangers and/or their affiliates, as specified in the Securities Notice, the gross proceeds of which will immediately be applied to refinance or reduce the Commitments.

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"Selection Notice" means a notice substantially in the form set out in Schedule 3 Part IB (*Requests*) given in accordance with Clause 11 (*Interest Periods*) in relation to the Facility.

"Senior Secured Notes" means one or more tranches of high yield secured notes governed by New York law issued or to be issued by the Notes Issuer and that amounts of Senior Secured Notes so issued will (i) in the event of an issuance occurring prior to the Closing Date, reduce, *pro tanto* (and terminate if reduced to EUR0) the Commitments or (ii) in the event of an issuance occurring after the Closing Date, to refinance, on the same basis, any amounts drawn under the Facility.

"Shareholder Loan" means any loan made in cash to the Borrower by a Holding Company or other direct or indirect shareholder of the Borrower or any of their respective affiliates (not being a member of the Group) and which are subordinated pursuant to the terms of the Intercreditor Agreement or otherwise to the satisfaction of the Agent (acting on the instructions of the Majority Lenders acting reasonably) and which are not prohibited under the undertakings contained in Schedule 9 (*Restrictive Covenants and Events of Default*).

"Shareholder Loan Instrument" means any agreement evidencing a Shareholder Loan.

"Single Employer Plan" means a single employer plan, as defined in section 4001(a)(15) of ERISA, that is subject to title IV of ERISA that (a) is maintained for employees of any Obligor or any ERISA Affiliate and no person other than the Obligors and the ERISA Affiliates or (b) was so maintained and in respect of which any Obligor or any ERISA Affiliate could have liability under section 4069 of ERISA in the event such plan has been or were to be terminated.

"Specified Time" means a time determined in accordance with Schedule 6 (*Timetables*).

"Sponsor Affiliate" means the Parent Guarantor or any Subsidiary of the Parent Guarantor which is not a member of the Group.

"Strategic Report" means the strategic report by BCG dated March 2014 relating to the Target and its Subsidiaries.

"Structural Intra-Group Loan Agreement" means each agreement evidencing the terms of a Structural Intra-Group Loan.

"Structural Intra-Group Loans" means:

- (a) the loan between UGI Europe Inc. as lender to UGI International Holdings BV as borrower;
- (b) the loan between UGI International Holdings BV as lender to Bidco as borrower,

in each case as specified in the Structure Memorandum.

"Structure Memorandum" means the structure paper prepared by the Borrower in the agreed form that is acceptable to the Lenders in their sole discretion and addressed to, and capable of being relied upon, by the Reliance Parties.

"Subsidiary" means, in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation; or
- (b) more than half the issued voting share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or
- (c) which is a Subsidiary or another Subsidiary of the first mentioned company or corporation,

and for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or control the composition of its board of directors or equivalent body or similarly directs its affairs.

"Takeout Demand Failure" means a failure to issue Senior Secured Notes in accordance with the terms of the Bridge Facility Fee Letter for any reason within 10 days from the delivery of a Securities Notice as notified to the Agent by the relevant Underwriter.

"Takeout Demand Failure Bridge Loan" has the meaning given to that term in Clause 6.5 (*Takeout Demand Failure Bridge Loan*).

"Target" means Totalgaz, a French *société en nom collectif* incorporated and organised under the laws of France, registered with the trade and commercial registry of Nanterre under number 582 018 966, having its registered office at Immeuble Wilson, 48 Avenue de Général de Gaulle, 92800 Puteaux, France.

"Target Group" means the Target and its Subsidiaries.

"Target Shares" means the shares comprising the share capital and voting rights in the Target acquired or to be acquired by Bidco pursuant to the terms of the Acquisition Agreement.

"TARGET2" means the Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

"TARGET Day" means any day on which TARGET2 is open for the settlement of payments in Euro.

"Tax" or **"Taxes"** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Tax Due Diligence Report" means the tax due diligence report dated 6 May 2014 prepared by Fidal in relation to the Acquisition and addressed to, and/or capable of being relied upon by, the Reliance Parties.

"Term Debt" means on any date, Financial Indebtedness with a scheduled maturity date 12 Months or more from the date on which such Financial Indebtedness was incurred.

"Total Commitments" means the aggregate of the Commitments, being an amount of up to €300,000,000 at the date of this Agreement.

"Trade Instruments" means any performance bonds, advance payment bonds or documentary letters of credit issued in respect of the obligations of any member of the Restricted Group arising in the ordinary course of trading of that member of the Restricted Group.

"Transaction Costs" means (1) all Acquisition Costs, (1) all fees, costs and expenses and Taxes incurred by the Group in connection with (A) any Replacement Debt, (B) any transaction pursuant to which additional debt is raised in the debt capital markets (including, for the avoidance of doubt, by way of borrowing under any credit facility) and (C) any acquisition, disposal or recapitalisation.

"Transaction Documents" means the Finance Documents, the Acquisition Documents, the Shareholder Loan Instruments, the Constitutional Documents, the Exchange Notes and each Structural Intra-Group Loan Agreement.

"Transaction Security" means the Security created or expressed to be created in favour of the Security Agent pursuant to the Transaction Security Documents.

"Transaction Security Documents" means each of the documents listed as being a Transaction Security Document in Schedule 2 (*Conditions Precedent*), together with any other document entered into by any Obligor creating or expressed to create any Security over all or any part of its assets in respect of the obligations of any of the Obligors under any of the Finance Documents.

"Transfer Certificate" means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Borrower.

"Transfer Date" means, in relation to an assignment or a transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and
- (b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

"Treasury Transactions" means any derivative transaction (including, for the avoidance of doubt, a foreign exchange transaction) entered into in connection with protection against or benefit from fluctuation in any rate or price.

"UGI Guarantee" means the guarantee granted by the Parent Guarantor in favour of the Agent in relation to the obligations of the Obligors to the Finance Parties under the Finance Documents dated on or around the date of this Agreement.

"Underwriters" means Credit Suisse Securities (Europe) Limited, Merrill Lynch International and Natixis.

"Unpaid Sum" means any sum due and payable but unpaid by an Obligor or the Parent Guarantor under the Finance Documents.

"Unrestricted Subsidiary" has the meaning given to that term in Part I (*New York Law Definitions*) of Schedule 9 (*Restrictive Covenants and Events of Default*).

"US" and **"USA"** means the United States of America or any of its states and territories and the District of Columbia.

"US Bankruptcy Code" means Title 11 of the United States Code entitled Bankruptcy, as amended, or any successor thereof.

"US Obligor" means an Obligor organised under the laws of the US, any State of the US or the District of Columbia.

"US Solvent" and **"US Solvency"** mean, with respect to any person on any date of determination, that on such date (a) the fair value of the assets of such person and its Restricted Subsidiaries, on a consolidated basis, exceeds, on a consolidated basis, their debts and liabilities, subordinated, contingent or otherwise, (b) the present fair saleable value of the property of such person and its Restricted Subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (c) such person and its Restricted Subsidiaries, on a consolidated basis, do not intend to, and do not believe that they will, incur debts or liabilities beyond their ability to pay such debts and liabilities as they mature and (d) such person and its Restricted Subsidiaries, on a consolidated basis, are not engaged in, and are not about to engage in, business for which they have unreasonably small capital. The amount of any contingent liability at any time shall be computed as the amount that would reasonably be expected to become an actual and matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standards No. 5).

"US Tax Obligor" means:

- (a) the Borrower which is a "United States person" as defined in Section 7701(a)(30) of the Code; or
- (b) an Obligor some or all of whose payments under the Finance Documents are from sources within the US for US federal income tax purposes.

"Utilisation Date" means the date on which the relevant Loan is to be made.

"Utilisation Request" means a notice substantially in the relevant form set out in Part I of Schedule 3 (*Requests*).

"VAT" means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

"Vendor" means Total Marketing Services S.A., a French société anonyme with a capital of 324,158,696 euros, having its registered office at 24 Cours Michelet, 92800 Puteaux registered with the Trade and Companies Registry of Nanterre under number 542934921.

"Withdrawal Liability" has the meaning specified in Part I of Subtitle E of title IV of ERISA.

1.2 Construction

- (a) Unless a contrary indication appears, a reference in this Agreement to:
 - (vi) the **"Agent"**, the **"Arranger"**, any **"Exchange Notes Trustee"**, any **"Finance Party"**, any **"Lender"**, any **"Obligor"**, any **"Party"**, any **"Secured Party"**, the **"Security Agent"** or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents and, in the case of the Security Agent, any person for the time being appointed as Security Agent or Security Agents in accordance with the Finance Documents;
 - (vii) a document in **"agreed form"** is a document which is previously agreed in writing by or on behalf of the Borrower and the Agent or if not so agreed is in the form specified by the Agent;
 - (viii) **"assets"** includes present and future properties, revenues and rights of every description;
 - (ix) a **"Finance Document"** or a **"Transaction Document"** or any other agreement or instrument is a reference to that Finance Document or Transaction Document or other agreement or instrument as amended, novated, supplemented, extended or restated;

- (x) a **"group of Lenders"** includes all the Lenders;
 - (xi) **"guarantee"** means (other than the UGI Guarantee)) any guarantee, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meet its indebtedness;
 - (xii) **"indebtedness"** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (xiii) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
 - (xiv) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
 - (xv) a provision of law is a reference to that provision as amended or re-enacted; and
 - (xvi) a time of day is a reference to New York time unless otherwise agreed.
- (b) Section, Clause and Schedule headings are for ease of reference only.
 - (c) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
 - (d) A Default (other than an Event of Default) is **"continuing"** if it has not been remedied or waived and an Event of Default is **"continuing"** if it has not been remedied or waived.
 - (e) **"Principal"** of the Loan or Exchange Note at any time means the principal of the Loan or Exchange Note plus (in the case of an Exchange Note), the premium, if any, payable on such Exchange Note that is due or overdue or is to become due at such time.

1.3 Exchange rate fluctuation

- (a) When applying any monetary limits, thresholds and other exceptions to the representations and warranties, undertakings and Events of Default under the Finance Documents, the equivalent to an amount in the Base Currency shall be calculated at the Agent's Spot Rate of Exchange as at the date of the Group incurring or making the relevant disposal, acquisition, investment, lease, loan, debt or guarantee or taking any other relevant action.
- (b) No Event of Default or breach of any representation or warranty or undertaking under the Finance Documents shall arise merely as a result of a subsequent change in the Base Currency equivalent of any relevant amount due to fluctuations in exchange rates.

1.4 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the **"Third Parties Act"**) to enforce or enjoy the benefit of any term of this Agreement.
- (b) Notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

1.5 Certificates

Where any natural person gives a certificate or other document or otherwise gives a representation or statement on behalf of any of the parties to the Finance Documents pursuant to any provision thereof and such certificate or other document, representation or statement proves to be incorrect, the individual shall incur no personal liability in consequence of such certificate, other document, representation or statement being incorrect save where such individual acted fraudulently in giving such certificate, other document, representation or statement (in which case any liability of such individual shall be determined in accordance with applicable law).

1.6 Intercreditor Agreement

This Agreement is subject to the Intercreditor Agreement. In the event of any inconsistency between this Agreement and the Intercreditor Agreement, the Intercreditor Agreement shall prevail.

SECTION 2 THE FACILITY

2. THE FACILITY

2.1 The Facility

Subject to the terms of this Agreement, the Lenders make available a credit facility denominated in Euro in an aggregate amount equal to the Total Commitments.

2.2 Increase

- (c) The Borrower may by giving prior notice to the Agent by no later than the date falling 15 Business Days after the effective date of a

cancellation of:

- (iii) the Available Commitments of a Defaulting Lender in accordance with Clause 7.5 (*Right of cancellation in relation to a Defaulting Lender*); or
- (iv) the Commitments of a Lender in accordance with paragraph (a) of Clause 7.4 (*Right of cancellation and repayment in relation to a Single Lender*); or
- (v) the Commitments of a Lender in accordance with Clause 7.1 (*Illegality*),

request that the Total Commitments be increased (and the Total Commitments shall be so increased) in an aggregate amount up to the amount of the Available Commitments or Commitments so cancelled as follows:

- (vi) the increased Commitments will be assumed by one or more Lenders or other banks, financial institutions, trusts, funds or other entities (each an "**Increase Lender**") selected by the Borrower (each of which shall not be a Sponsor Affiliate or a member of the Group) and (in the case of the Commitments), each of which confirms in writing (whether in the relevant Increase Confirmation or otherwise) its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Lender;
 - (vii) each of the Obligors and the Parent Guarantor and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Parent Guarantor and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender;
 - (viii) each Increase Lender shall become a Party as a "Lender" and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender;
 - (ix) the Commitments of the other Lenders shall continue in full force and effect; and
 - (x) any increase in the Total Commitments shall take effect on the date specified by the Borrower in the notice referred to above or any later date on which the conditions set out in paragraph (b) below are satisfied.
- (d) An increase in the Total Commitments will only be effective on:
- (i) the execution by the Agent of an Increase Confirmation from the relevant Increase Lender; and
 - (ii) in relation to an Increase Lender which is not a Lender immediately prior to the relevant increase:
 - (A) the Increase Lender entering into the documentation required for it to accede as a party to the Intercreditor Agreement; and
 - (B) the Agent being satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Lender. The Agent shall promptly notify the Borrower and the Increase Lender upon being so satisfied.
- (e) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective.
- (f) The Borrower shall promptly on demand pay the Agent and the Security Agent the amount of all costs and expenses (including legal fees) reasonably incurred by either of them and, in the case of the Security Agent, by any Receiver or Delegate in connection with any increase in Commitments under this Clause 2.2.
- (g) The Increase Lender shall, on the date upon which the increase takes effect, pay to the Agent (for its own account) a fee in an amount equal to the fee which would be payable under Clause 23.4 (*Assignment or transfer fee*) if the increase was a transfer pursuant to Clause 23.6 (*Procedure for transfer*) and if the Increase Lender was a New Lender.
- (h) The Borrower may pay to the Increase Lender a fee in the amount and at the times agreed between the Borrower and the Increase Lender in a Fee Letter.
- (i) Clause 23.5 (*Limitation of responsibility of Existing Lenders*) shall apply mutatis mutandis in this Clause 2.2 in relation to an Increase Lender as if references in that Clause to:
- (i) an "**Existing Lender**" were references to all the Lenders immediately prior to the relevant increase;
 - (ii) the "**New Lender**" were references to that "**Increase Lender**"; and
 - (iii) a "**re-transfer**" and "**re-assignment**" were references to respectively a "**transfer**" and "**assignment**".

2.3 Finance Parties' rights and obligations

- (c) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (d) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt

arising under the Finance Documents to a Finance Party from an Obligor or the Parent Guarantor shall be a separate and independent debt.

- (e) A Finance Party may, except as otherwise stated in the Finance Documents, separately enforce its rights under the Finance Documents.

3. PURPOSE

3.1 Purpose

- (j) The Borrower shall apply all amounts borrowed by it under the Facility towards (i) payment to the Vendor of the purchase price for the Acquisition under the Acquisition Agreement; and (ii) payment of the Acquisition Costs, as described in the Funds Flow Statement.
- (k) For the avoidance of doubt, the maximum aggregate amount of the outstanding Loan of all the Lenders shall not exceed the Total Commitments.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. CONDITIONS OF UTILISATION

4.1 Initial conditions precedent

- (f) The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to the Loan if on or before the Utilisation Date for the Loan the Agent has received (or (acting on the instruction of the Majority Lenders) has waived receipt of or is satisfied that it will, on or before the first Utilisation Date, receive) all of the documents and other evidence listed in Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Agent (acting reasonably). The Agent shall notify the Borrower and the Lenders promptly in writing upon being so satisfied.
- (g) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (a) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

4.2 Maximum number of Loans

The Borrower may only deliver one Utilisation Request.

4.3 Loan during the Certain Funds Period

- (a) Subject to Clause 4.1 (*Initial conditions precedent*), during the Certain Funds Period, the Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) in relation to a Certain Funds Utilisation if on the date of the Utilisation Request and on the proposed Utilisation Date no Certain Funds Event of Default is continuing or would result from the proposed Loan.
- (b) During the Certain Funds Period (save in circumstances where, pursuant to paragraph (a) above, a Lender is not obliged to comply with Clause 5.4 (*Lenders' participation*) and subject as provided in Clause 7.1 (*Illegality*) and Clause 8.1 (*Exit*)), none of the Finance Parties shall be entitled to:
- (i) cancel any of its Commitments to the extent to do so would prevent or limit the making of a Certain Funds Utilisation;
 - (ii) rescind, terminate or cancel this Agreement or the Facility or exercise any similar right or remedy or make or enforce any claim under the Finance Documents it may have to the extent to do so would prevent or limit the making of a Certain Funds Utilisation;
 - (iii) refuse to participate in the making of a Certain Funds Utilisation (including invoking any provision of this Agreement which provides that the Loan can only be made if a Default has not occurred and is not continuing and if the representations and warranties set out in Clause 19 (*Representations*) that are repeated or deemed to be repeated on the date of the Utilisation Request, on each Utilisation Date and on the last day of each Interest Period are true);
 - (iv) exercise any right of set-off or counterclaim in respect of the Loan to the extent to do so would prevent or limit the making of a Certain Funds Utilisation; or
 - (v) take any action or make or enforce any claim under or in respect of this Agreement to the extent that such action, claim or enforcement would directly or indirectly prevent or limit the making of the Loan or which would restrict the Loan under the Facility which are or would otherwise be permitted during the Certain Funds Period,

provided that immediately upon the expiry of the Certain Funds Period all such rights, remedies and entitlements shall be available to the Finance Parties notwithstanding that they may not have been used or been available for use during the Certain Funds Period to the extent that the relevant circumstances are continuing.

SECTION 3 UTILISATION

5. UTILISATION

5.1 Delivery of the Utilisation Request

The Borrower may utilise the Facility by delivery to the Agent of the duly completed Utilisation Request not later than the Specified Time (or such later time as the Agent may agree acting on the instructions of all the Lenders).

5.2 **Completion of the Utilisation Request for Loan**

- (c) The Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
 - (i) the proposed Utilisation Date is a Business Day within the Availability Period;
 - (ii) the amount of the Loan complies with Clause 5.3 (*Currency and amount*); and
 - (iii) the proposed Interest Period complies with Clause 11 (*Interest Periods*).

5.3 **Currency and amount**

The currency specified in the Utilisation Request must be Euro and must be in a minimum amount of €100,000,000 and must not exceed the Total Commitments.

5.4 **Lenders' participation**

- (a) If the conditions set out in this Agreement have been met, and subject to Clause 6.1 (*Repayment of Loans*), each Lender shall make its participation in the Loan available by the Utilisation Date through its Facility Office by 10:00am London time.
- (b) The amount of each Lender's participation in the Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.

5.5 **Limitations on Loan**

The Facility may only be utilised on the Closing Date.

5.6 **Cancellation of Commitment**

The Commitments which, at 6.00pm on the Closing Date, are unutilised shall be immediately cancelled in full.

SECTION 4 REPAYMENT, PREPAYMENT AND CANCELLATION

6. **REPAYMENT**

6.1 **Repayment of Loan**

- (d) Subject to Clause 6.2 (*Bridge Term Loan*) the Borrower shall repay to the Agent for the rateable account of the Lenders the aggregate outstanding principal amount of the Loan owed by the Borrower on the Initial Maturity Date.
- (e) The Borrower may not reborrow any part of the Facility which is repaid.

6.2 **Bridge Term Loan**

- (a) Each Lender shall be required to extend the Repayment Date of its portion of the Initial Loan pursuant to paragraph (b) below on each of:
 - (vi) the Initial Maturity Date, if the Loan has not been repaid in full; and
 - (vii) the date on which a Takeout Demand Failure occurs (but only with respect to the principal amount of the relevant Takeout Demand Failure Bridge Loan),provided, in each case, that no Extension Default exists and is continuing.
- (b) If the conditions to the extension of the Repayment Date specified in paragraph (a) are satisfied: (i) the Repayment Date of the portion of the Loan shall be extended to the Final Maturity Date without requirement for any action from the Finance Parties; (ii) the portion of the Loan shall thereafter be a Bridge Term Loan under and governed by this Agreement and have the same terms as the Initial Loan unless otherwise provided in this Agreement; and (iii) no Event of Default shall have deemed to have occurred as a result of the Borrower not having repaid the Initial Loan or any Takeout Demand Failure Bridge Loan on a Conversion Date.

6.3 **Repayment of Bridge Term Loan**

The Borrower shall repay to the Agent for the ratable account of the Lenders the aggregate outstanding amount of Bridge Term Loan on the Final Maturity Date.

6.4 **Exchange of Bridge Term Loan for Exchange Notes**

- (a) **Exchange Note Indenture**
 - (i) The Borrower shall negotiate in good faith with the Arrangers the form of an Exchange Note Indenture with respect to the Exchange Notes, which Exchange Note Indenture shall be governed by New York law and shall be on the terms of and conditions substantially consistent with the Applicable High Yield Standard Indenture, as adjusted for changes in the capital structure of the Group or any law or regulation applicable to the Group and to the extent reasonably required to adjust for market conditions at the time of issuance and as may otherwise be mutually agreed. The Exchange Note Indenture will include covenants and "change of control" provisions (as defined in a manner consistent with this Agreement) at a redemption price of 101% (or 100% for Exchange Notes held by the Original Lenders or their Affiliates (other than any Asset Management Affiliates)) of par plus accrued interest

and provide for events of default as specified in Schedule 9 (*Restrictive Covenants and Events of Default*) to this Agreement, as adjusted for changes in the capital structure of the Group or any law or regulation applicable to the Group and to the extent reasonably required to adjust for market conditions at the time of issuance and as may otherwise be mutually agreed.

- (ii) The Borrower and the Arrangers agree to negotiate and finalise the Exchange Note Indenture to be entered into pursuant to paragraph (a) no later than 30 days prior to the Initial Maturity Date or such other date as the Borrower and the Arrangers may agree; provided that the Borrower may defer only the first issuance of Exchange Notes until such time as the Borrower shall have received requests to issue an aggregate principal amount of the Loan to be so exchanged that equals or exceeds the minimum amount specified in Clause 6.4(b) (*Exchange Notes*) below.
- (iii) The Exchange Notes Indenture shall be fully executed and delivered, and the Exchange Notes will be fully executed and deposited into escrow, not later than 30 days prior to the Initial Maturity Date or such later date as the Arrangers may agree.
- (iv) In connection with the execution of the Exchange Notes Indenture, the Borrower shall furnish (i) an opinion from New York law legal counsel in form and substance reasonably satisfactory to the Exchange Notes Trustee, stating that, upon issuance of Exchange Notes in consideration for an equal amount of Bridge Term Loan, the Exchange Notes Indenture constitutes a legal, valid and binding obligation of the Borrower, the Co-Issuer (if applicable pursuant to Clause 6.4(b)(ii)(E) below) and the Parent Guarantor, enforceable against each of the Borrower, the Co-Issuer (if applicable pursuant to Clause 6.4(b)(ii)(E) below) and the Parent Guarantor in accordance with its terms, (ii) an opinion from Pennsylvania legal counsel in form and substance reasonably satisfactory to the Exchange Notes Trustee, stating that the Borrower has legal capacity to enter into such Exchange Notes Indenture in each case subject to customary reservations and assumptions, and (iii) if applicable pursuant to Clause 6.4(b)(ii)(E) below, an opinion from legal counsel of the jurisdiction of incorporation of the Co-Issuer in form and substance reasonably satisfactory to the Exchange Notes Trustee, stating that, the Co-Issuer has legal capacity to enter into such Exchange Notes Indenture in each case subject to customary reservations and assumptions.

(b) **Exchange Notes**

- (i) Each Lender may from time to time on any Business Day on or after the Initial Maturity Date elect pursuant to an Exchange Request given in accordance with Clause 6.4(c) (*Manner of Exchange of Bridge Term Loan*) below, to exchange all or any portion of its Bridge Term Loan (if any) then outstanding for one or more Exchange Notes (each such exchange being referred to herein as an "**Exchange**"); provided that the minimum principal amount of any Exchange shall be 20.0 per cent. of the principal amount of the Bridge Term Loan outstanding; provided that if the Borrower receives a request to issue an aggregate principal amount of Exchange Notes of less than 20.0 per cent. of the principal amount of the Bridge Term Loan outstanding, the Borrower may defer the issuance of such Exchange Notes until such time as it shall have received requests to issue an aggregate principal amount of Exchange Notes of at least 20.0 per cent. of the principal amount of the Bridge Term Loan outstanding and each subsequent Exchange shall be for a principal amount of at least 20.0 per cent. of the principal amount of the Bridge Term Loan outstanding.
- (ii) The Exchange Notes shall:
 - (A) rank *pari passu* with the Bridge Term Loan to the extent that any Bridge Term Loan remains outstanding;
 - (B) be issued pursuant to and shall be governed by and construed solely in accordance with the Exchange Notes Indenture;
 - (C) be guaranteed by the same entities that guarantee the Bridge Term Loan and will be secured by the same assets securing the Bridge Term Loan;
 - (D) require that the Borrower submit to the non-exclusive jurisdiction and venue of the U.S. Federal and state courts of the State of New York and will waive any right to trial by jury; and
 - (E) be jointly issued by a wholly-owned finance subsidiary of the Borrower that qualifies as a "C" corporation (the "**Co-Issuer**"), if the Borrower changes its legal form into a limited liability company (through a merger or otherwise) and any of the Arrangers considers the Co-Issuer as reasonably necessary for the marketing of the Exchange Notes.
- (iii) The principal amount of the Exchange Notes in any Exchange will equal 100 per cent. of the aggregate principal amount of the participation in the Bridge Term Loan for which they are exchanged and shall be issued at par.
- (iv) Each Exchange Note in an Exchange shall:
 - (A) be denominated in Euro;
 - (B) bear interest from and including the Exchange Date to and including the Final Maturity Date at a fixed rate per annum (calculated on the basis of actual number of days elapsed over a year of 360 days) that is equal to the then applicable Margin which would have been payable under the Bridge Term Loan which was exchanged for such Exchange Note (which for the avoidance of doubt will be equal to the Interest Rate Cap) (excluding default interest); such interest will be payable either (a) in respect of Exchange Notes bearing a fixed rate of interest, semi-annually or (b) in respect of Exchange Notes bearing a floating rate of interest, quarterly;
 - (C) for so long as they are held by the Original Lenders or their Affiliates (other than any Asset Management Affiliates), be redeemable at the option of the Borrower, in whole or in part, at any time at par plus accrued and unpaid interest to the redemption date; provided, however, that (other than Exchange Notes that are held by the Original Lenders or their Affiliates (other than any Asset Management Affiliates)) (i) in respect of Exchange Notes bearing a fixed rate of interest, such Exchange Notes shall be callable (x) until and prior to the date that is three years after the Closing Date at par plus accrued interest plus the Applicable Premium and (y) thereafter at par plus a premium as specified below, which premium shall decline on each yearly anniversary of the Closing Date as follows:

Date**Premium**

From (and including) the third anniversary of the Closing Date to (but excluding) the fourth anniversary of the Closing Date	50% of the Interest Rate Cap
From (and including) the fourth anniversary of the Closing Date to (but excluding) the fifth anniversary of the Closing Date	33 ¹ / ₃ % of the Interest Rate Cap
From (and including) the fifth anniversary of the Closing Date to (but excluding) the sixth anniversary of the Closing Date	16 ² / ₃ % of the Interest Rate Cap
From (and including) the sixth anniversary of the Closing Date and thereafter	zero

and (ii) in respect of Exchange Notes bearing a floating rate of interest, such Exchange Notes will be callable (x) until and prior to the date that is one year after the Closing Date at par plus accrued interest plus the Applicable Premium and (y) thereafter at a par plus a premium equal to 1% of the principal amounts of such Exchange Notes, declining to 0% of the principal amount of such Exchange Notes from the second anniversary of the Closing Date, in each case plus accrued interest;

- (D) prior to the third anniversary of the Closing Date, be redeemable by the Borrower in an aggregate amount up to 35% of such Exchange Notes with proceeds from an equity offering at a price equal to par plus the coupon on such Exchange Notes.
- (v) The Borrower shall offer to purchase the Exchange Notes at par plus accrued interest with the net cash proceeds of any Asset Sale in excess of amounts either reinvested in the business of the Borrower and its subsidiaries or used to repay certain then outstanding indebtedness within specified time periods, subject to certain exceptions and baskets, in each case substantially consistent with the Applicable High Yield Standard Indenture, subject to any requirement to prepay any amounts outstanding under this Agreement with such net proceeds.
- (vi) Notwithstanding anything in this Agreement to the contrary, holders of Exchange Notes will have the absolute and unconditional right to transfer such Exchange Notes in compliance with applicable law to any third parties.

(c) **Manner of Exchange of Bridge Term Loan**

- (iv) Subject to Clause 6.4(b) (*Exchange Notes*) above, in order to effect an Exchange a Lender shall provide the Agent and Borrower with a duly completed Exchange Request, in the form in Schedule 10 (*Form of Exchange Request*) of this Agreement, at least ten Business Days prior to an Exchange Date (which shall also be a Business Day) selected by such Lender for an Exchange in compliance with Clause 6.4(b) (*Exchange Notes*) above. Each Exchange Request under this Clause 6.4 shall specify the following:
 - (A) the Lender's legal name;
 - (B) the Exchange Date selected by such Lender;
 - (C) subject to Clause 23 (*Changes to the Lenders*), the name of the proposed registered Holder of the Exchange Notes to be issued pursuant to the Exchange Request, and the address for delivery of the Exchange Notes to be delivered thereto;
 - (D) the principal amount of that Lender's Loan to be repaid and the corresponding principal amount of Exchange Notes to be issued pursuant to the Exchange Request, provided that the principal amount into which the Loan may be exchanged shall be at least 20.0 per cent. of the principal amount of the Bridge Term Loan outstanding;
 - (E) the amount of each Exchange Note requested (which shall be at least €100,000 and integral multiples of €1,000 in excess thereof); and
 - (F) that the Exchange Request is delivered pursuant to this Clause 6.4.

In addition, such Lender shall provide such other information reasonably requested by the Agent.

- (v) Upon receipt of an Exchange Request under this Clause 6.4, the Agent shall send written or telecopy notice of such proposed Exchange to the Exchange Notes Trustee, with a copy to the Borrower, that shall specify the information contained in such Exchange Request, and the Borrower shall deliver the Exchange Note(s) to the Exchange Notes Trustee for authentication and thereafter use all reasonable endeavours to deliver them to the registered Holder or Holders thereof on the date specified in the Exchange Request.
- (vi) Upon delivery of the Exchange Notes pursuant to this Clause 6.4, the Agent shall cancel the relevant portion of the Loan so exchanged.

(d) **Not a registered security**

- (i) Each Lender acknowledges that none of the Exchange Notes will be registered under the Securities Act and represents and agrees that it may only acquire Exchange Notes for its own account and that it will not, directly or indirectly, transfer, sell, assign, pledge or otherwise dispose of the Exchange Notes (or any interest therein) unless such transfer, sale, assignment, pledge or other

disposition is made (i) pursuant to an effective registrations statement under the Securities Act or (ii) pursuant to an available exemption from registration under, and otherwise in compliance with, the Securities Act. Each of the Lenders acknowledges that the Exchange Notes will bear a legend restricting the transfer thereof in accordance with the Securities Act.

- (ii) Subject to the provisions of the previous paragraph, the Borrower and the Parent Guarantor agree that, with the consent of the Agent, each Lender will be able to sell or transfer all or any part of the Exchange Notes to any third party in compliance with applicable laws.

(e) **Co-operation**

- (i) Prior to the Changeover Date, the Borrower agrees to furnish the Underwriters with all information which the Underwriters reasonably deem appropriate in connection with the Replacement Financing and will provide the Underwriters access to its and its affiliates' officers, directors, employees, accountants, counsel and other representatives, it being understood that the Underwriters will rely upon such information without assuming responsibility for the independent verification or investigation thereof.
- (ii) Prior to the Changeover Date, the Borrower agrees that upon the request of the Underwriters the Borrower shall commence promptly, and shall use commercially reasonable efforts to cause the Notes Issuer or the Borrower or one of their respective affiliates to commence promptly (i) the preparation of a Rule 144A/Regulation S preliminary offering memorandum or other private placement memorandum, as appropriate, suitable for use in a customary high-yield road show relating to any such Replacement Financing, which shall include, without limitation, (A) financial statements, pro forma financial statements, business and other financial data of the type customary for offerings in the United States and European high-yield markets to the extent reasonably necessary to allow counsel for the Borrower and counsel for the Underwriters to provide a customary "Rule 10b-5" disclosure letter and reasonably necessary for the Underwriters to receive customary comfort (including "negative assurance" comfort) and use commercially reasonable efforts to cause auditors of the Borrower and the Target to provide drafts of customary comfort letters (including "negative assurance" comfort) which such auditors are prepared to issue upon completion of customary procedures on the dates of the pricing and the closing of such offering Securities and (B) all other non-financial disclosures to the extent reasonably necessary to allow your counsel and counsel for the Underwriters to provide a customary "Rule 10b-5" disclosure letter (the "Offering Memorandum"), (ii) the application process in respect of any listing of the Securities on the unregulated market of the Luxembourg Stock Exchange (or such other mutually acceptable stock exchange as may be agreed between the Underwriters and you) and (iii) the application for a rating of the Securities from two of either Fitch, S&P or Moody's, including the preparation of materials for a presentation to such rating agencies and all other information that the rating agencies will reasonably require.
- (iii) Prior to the Changeover Date, the Borrower shall further use commercially reasonable efforts to cause its subsidiaries in France, the United Kingdom, the Netherlands and Germany to become guarantors of the Notes as necessary and provide the same Security in respect of the Senior Secured Notes as the Transaction Security provided in respect of the Bridge Facility to achieve the targeted ratings outcome as agreed between the Borrower and the Underwriters, provided that in no case shall the Parent Guarantor be required to guarantee the Senior Secured Notes and provided further that the provision of any guarantee shall not be reasonably expected to result in (i) a violation of applicable laws or regulations, including any breach of corporate benefit, financial assistance, fraudulent preference or thin capitalisation laws or regulations which, in any case, cannot be prevented or otherwise avoided through measures reasonably available to the relevant entity providing such guarantee or (ii) any liability for the officers, directors or shareholders of the relevant entity providing such guarantee.
- (iv) After the Changeover Date, the Borrower shall use all reasonable commercial endeavors to procure that the management of the Borrower be available to participate in one or more roadshows or other marketing processes in connection with the extension and resale of the Bridge Term Loans or the issuance and/or resale of the Exchange Notes (including, in the case of Exchange Notes, make available written disclosure materials substantially similar to the information contained in a typical offering memorandum used in a customary high yield debt offering, which offering material shall be kept current) until the date that the Arrangers and their respective Affiliates hold no Bridge Term Loans and/or Exchange Notes.
- (v) After the Changeover Date, the Borrower shall use all commercially reasonable endeavors to ensure that the Exchange Notes are rated by Fitch and Moody's.

(f) **Interest**

Accrued interest on a Bridge Term Loan exchanged for Exchange Notes shall be cancelled and the Exchange Notes received in such exchange shall bear interest from and including the most recent date to which interest has been paid on the Bridge Term Loan so exchanged at the rate per annum applicable to such Exchange Notes.

6.5 **Takeout Demand Failure Bridge Loan**

Upon the occurrence of a Takeout Demand Failure, the portion of the principal amount of the Loan intended to be refinanced pursuant to the Securities Notice related to such Takeout Demand Failure shall be automatically exchanged into a loan (each, a "**Takeout Demand Failure Bridge Loan**"). Each Takeout Demand Failure Bridge Loan shall be governed by this Agreement and have the same terms as the Initial Loan unless otherwise provided in this Agreement.

7. **ILLEGALITY, VOLUNTARY PREPAYMENT AND CANCELLATION**

7.1 **Illegality**

If it becomes unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in the Loan (or it becomes unlawful for any Affiliate of a Lender for that Lender to do so):

- (c) that Lender, shall promptly notify the Agent upon becoming aware of that event;
- (d) upon the Agent notifying the Borrower, the Available Commitment of that Lender will be immediately cancelled; and

- (e) to the extent that the Lender's participation has not been transferred pursuant to Clause 35.6 (*Replacement of Lender*), the Borrower shall repay that Lender's participation in the Loan made to the Borrower on the last day of the Interest Period for the Utilisation Date occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment(s) shall be cancelled in the amount of the participations repaid.

7.2 Voluntary cancellation

The Borrower may, if it gives the Agent not less than five Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of €1,000,000) of the Available Facility. Any cancellation under this Clause 7.2 (*Voluntary cancellation*) shall reduce the Commitments of the Lenders rateably under the Facility.

7.3 Voluntary prepayment of Loan

- (g) Subject to paragraph (b) below, the Borrower may, if it gives the Agent not less than three Business Day's (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of a Loan (being a minimum amount of €1,000,000) at a price equal to 100 per cent. of the principal amount thereof plus accrued and unpaid interest to the date of repayment (plus any other amounts due under any Finance Document).
- (h) From and after the date of a Takeout Demand Failure, (other than any participations in the Loan that are held by the Original Lenders or their Affiliates) if the Takeout Demand Failure Bridge Loan (and the Bridge Term Loan upon issuance in exchange for such Takeout Demand Failure Bridge Loan) bears interest at a fixed rate, such Loan shall be callable (x) until and prior to the date that is three years after the Closing Date at par plus accrued interest plus the Applicable Premium and (y) thereafter at par plus the premium set forth in the table in paragraph (b)(iv)(C) of Clause 6.4 (*Exchange of Bridge Term Loan for Exchange Notes*).

7.4 Right of cancellation and repayment in relation to a single Lender

- (a) If:
- (vii) any sum payable to any Lender by the Borrower is required to be increased under paragraph (c) of Clause 14.2 (*Tax gross-up*); or
 - (viii) any Lender claims indemnification from the Borrower under Clause 14.3 (*Tax indemnity*) or Clause 15.1 (*Increased costs*),
- the Borrower may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that Lender's participation in the Loan.
- (b) On receipt of a notice referred to in paragraph (a) above in relation to a Lender, the Commitment of that Lender shall immediately be reduced to zero.
- (c) On the last day of each Interest Period which ends after the Borrower has given notice under paragraph (a) above in relation to a Lender (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall repay that Lender's participation in the Loan together with all interest and other amounts accrued under the Finance Documents.

7.5 Right of cancellation in relation to a Defaulting Lender

- (a) If any Lender becomes a Defaulting Lender, the Borrower may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent 5 Business Days' notice of cancellation of the Available Commitment of that Lender.
- (b) On the notice referred to in paragraph (a) above becoming effective, the Available Commitment of the Defaulting Lender shall immediately be reduced to zero.
- (c) The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Lenders.

8. MANDATORY PREPAYMENT AND CANCELLATION

8.1 Exit

Upon the occurrence of:

- (c) a Change of Control; or
- (d) the sale of all or substantially all of the assets of the Restricted Group and/or the Parent Guarantor whether in a single transaction or a series of related transactions,

the Facility will be cancelled and the outstanding Loan, together with accrued interest, and all other amounts accrued under the Finance Documents, shall become immediately due and payable.

8.2 Disposals

The Borrower shall, and shall procure that each member of the Restricted Group shall, comply with the requirements of the paragraph entitled "Asset Sales" of Part II (*General Undertaking and Mandatory Offers*) of Schedule 9 (*Restrictive Covenants and Events of Default*).

8.3 Financing Proceeds

For the purposes of this Clause 8.3:

"Replacement Financing" means:

- (d) any (1) offering by the Borrower or any of its direct or indirect Subsidiaries (including, after the Closing Date, the Target), Affiliates or any special purpose or orphan companies formed by or at the direction of the Borrower or any of its Affiliates of (x) the Senior Secured Notes or (y) any other debt securities or (2) any incurrence by the Borrower or any of its direct or indirect Subsidiaries (including, after the Closing Date, the Target), Affiliates or any special purpose or orphan companies formed by or at the direction of the Borrower or any of its Affiliates of Financial Indebtedness under any credit facility, in each case to finance the Acquisition or to refinance any amounts drawn under this Facility; or
- (e) an offering of Senior Secured Notes in an aggregate principal amount greater than €300 million, but not to exceed €650 million, for the purposes described in paragraph (a) above and to refinance term debt at AGZ Holding or its Subsidiaries (but not, for the avoidance of doubt, any other debt of the Parent Guarantor or any of its Subsidiaries or any other purpose).

"Financing Proceeds" means 100% of the net cash proceeds of any:

- (a) offering of the Senior Secured Notes;
- (b) borrowing or issuance of additional Financial Indebtedness in connection with any Replacement Financing; and
- (c) sale or issuance by the Borrower of additional equity or capital contribution or other raising of equity funds by the Borrower in the domestic or international equity markets.

The Borrower shall cancel Commitments and prepay the Loan, as referred to in Clause 8.4 (*Application of mandatory prepayments*) with an amount equal to any Financing Proceeds.

8.4 Application of mandatory prepayments and cancellations

- (a) Subject to the Intercreditor Agreement and paragraph (c) below any cancellation and if applicable, prepayment made under Clause 8.2 (*Disposals*) or Clause 8.3 (*Financing Proceeds*) shall be offered or applied in prepayment of the outstanding Loan pro rata.
- (b) Subject to paragraph (c) below, the Borrower may elect, by no less than two Business Days' notice in writing to the Agent (or such shorter period as the Majority Lenders may agree), that any prepayment due under Clause 8.2 (*Disposals*) or Clause 8.3 (*Financing Proceeds*) be made on the last day of the Interest Period relating to the Loan. If the Borrower makes that election, then an amount of the Loan equal to the amount of the relevant repayment (and the Commitments of each Lender) will be cancelled rateably and, if applicable, be due and payable on the last day of its Interest Period.
- (c) If the Borrower has made an election under paragraph (b) above but an Event of Default has occurred and is continuing, that election shall no longer apply and a proportion of the Loan in respect of which the election was made equal to the amount of the relevant prepayment shall be immediately due and payable (unless the Majority Lenders otherwise agree in writing).

8.5 Mandatory Prepayment Accounts

- (a) The Borrower shall ensure that amounts in respect of which the Borrower has made an election under paragraph (b) of Clause 8.4 (*Application of mandatory prepayments and cancellations*) are paid into a Mandatory Prepayment Account as soon as practicable after receipt by a member of the Restricted Group.
- (b) The Borrower irrevocably authorises the Agent to apply amounts credited to the Mandatory Prepayment Account to pay amounts due and payable under Clause 8.4 (*Application of mandatory prepayments*) and otherwise under the Finance Documents.
- (c) A Lender, the Security Agent or Agent with which a Mandatory Prepayment Account is held acknowledges and agrees that (i) interest shall accrue at normal commercial rates on amounts credited to those accounts and that the account holder shall be entitled to receive such interest (which shall be paid in accordance with the mandate relating to such account) unless a Default is continuing and (ii) each such account is subject to the Transaction Security.
- (d) The Borrower shall use all reasonable endeavours to ensure that any transaction giving rise to a prepayment obligation is structured in such a way that it will not be unlawful for the Borrower or members of the Restricted Group to move the relevant proceeds received between members of the Group to enable a mandatory prepayment to be lawfully made and the proceeds lawfully applied as provided under this Clause 8 (*Mandatory Prepayment and Cancellation*) and/or to minimise the costs and Taxes of making such mandatory prepayment (including using all reasonable endeavours to fund such payment from surplus cash in the Group that is not so trapped provided doing so would not be materially prejudicial to overall Group liquidity or the availability of such cash to members of the Group requiring funds). If, however the costs and Taxes of making (or moving the funds to make) such mandatory prepayment would exceed 5 per cent. of the amount of such payment at that time or after the Borrower has used all such reasonable endeavours and taken such reasonable steps, it will still:
 - (i) be unlawful (including, without limitation, by reason of thin capitalisation, financial assistance, corporate benefit restrictions on upstreaming cash intra Group and the fiduciary and statutory duties of the directors or other officers of any member of the Group) or breach contractual restrictions (that were not entered into for the purpose of limiting such prepayment) for such a prepayment to be made and/or cash cover to be provided and the proceeds so applied (including where counsel to the Group has advised that there is a reasonable likelihood of personal liability of management or shareholders); or
 - (ii) be unlawful (including, without limitation, by reason of thin capitalisation, financial assistance, corporate benefit restrictions on upstreaming cash intra Group and the fiduciary and statutory duties of the directors or other officers of any member of the Group) or breach contractual restrictions (that were not entered into for the purpose of limiting such prepayment) to make funds available to a member of the Group that could make such a prepayment and/or provide such cash cover (including where counsel to the Group has advised that there is a reasonable likelihood of personal liability of management or shareholders),

then such prepayment shall not be required to be made (and, for the avoidance of doubt, the relevant amount shall be available for the working capital purposes of the Group and shall not be required to be paid to a Mandatory Prepayment Account or any other blocked account) provided always that if the restriction preventing such payment/provision of cash cover or giving rise to such liability is subsequently removed, any relevant proceeds will immediately be applied in prepayment in accordance with this Clause 8 (*Mandatory Prepayment and Cancellation*) at the end of the relevant Interest Period(s) to the extent that such payment has not otherwise been made.

- (e) The obligation to make a mandatory prepayment under Clause 8.1 (*Exit*) and Clause 8.3 (*Financing Proceeds*) shall not be subject to any limitation set out under paragraph (d) above.

9. RESTRICTIONS

9.1 Notices of Cancellation or Prepayment

Any notice of cancellation, prepayment, authorisation or other election given by any Party under Clause 7 (*Illegality, voluntary prepayment and cancellation*), paragraph (d) of Clause 8.4 (*Application of Mandatory prepayments and cancellations*) or Clause 8.5 (*Mandatory Prepayment Accounts*) shall (subject to the terms of those Clauses) be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment of the Facility and/or the Loan.

9.2 Interest and other amounts

Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.

9.3 Prepayment in accordance with Agreement

No Borrower shall repay or prepay all or any part of the Loan or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.

9.4 No reinstatement of Commitments

Subject to Clause 2.2 (*Increase*), no amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.

9.5 Agent's receipt of Notices

If the Agent receives a notice under Clause 7 (*Illegality, voluntary prepayment and cancellation*), paragraph (d) of Clause 8.4 (*Application of Mandatory prepayments and cancellations*) or Clause 8.5 (*Mandatory Prepayment Accounts*), it shall promptly forward a copy of that notice or election to either the Borrower or the affected Lender as appropriate.

9.6 Effect of Repayment and Prepayment on Commitments

If all or part of any Lender's participation in the Loan is repaid or prepaid and is not available for redrawing, an amount of that Lender's Commitment (equal to the amount of the participation which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment. Any cancellation under this Clause 9.6 shall reduce the Commitments of the Lenders rateably.

SECTION 5 COSTS OF UTILISATION

10. INTEREST

10.1 Calculation of interest

- (d) Subject to paragraph (c) below, the rate of interest on the Initial Loan from and including the Closing Date to but excluding a Conversion Date is the percentage rate per annum which is the aggregate of the applicable:
- (vi) Margin; and
 - (vii) EURIBOR.
- (e) The rate of interest on each Bridge Term Loan for each Interest Period is the fixed percentage rate per annum equal to the Interest Rate Cap.
- (f) Notwithstanding anything to the contrary set forth above, at no time will the interest rate in effect on the Loan exceed the applicable Interest Rate Cap (excluding default interest). In no event shall the interest rate on the Loan (along with any fees or expenses due under the Finance Documents (if required to be included in any limit under applicable law)) exceed the highest rate permitted under applicable law.

10.2 Payment of interest

The Borrower shall pay accrued interest on the Loan on the last day of each Interest Period (and, if the Interest Period is longer than three Months, on the dates falling at three Monthly intervals after the first day of the Interest Period).

10.3 Default interest

- (f) If the Borrower fails to pay any amount payable by it under the Finance Document on its due date, interest shall accrue on any overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is 1% higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted the

Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 10.3 shall be immediately payable by the Borrower on demand by the Agent.

- (g) If any overdue amount consists of all or part of the Loan which became due on a day which was not the last day of an Interest Period relating to the Loan:
 - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to the Loan; and
 - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be one per cent. per annum higher than the rate which would have applied if the overdue amount had not become due.
- (h) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

10.4 Notification of rates of interest

The Agent shall promptly notify the Lenders and the Borrower of the determination of a rate of interest under this Agreement.

11. INTEREST PERIODS

11.1 Selection of Interest Periods and Terms

- (d) The Borrower may select an Interest Period for the Loan in the Utilisation Request for the Loan or in a Selection Notice.
- (e) Each Selection Notice for the Loan is irrevocable and must be delivered to the Agent by the Borrower was made not later than the Specified Time.
- (f) If the Borrower fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will be 3 Months.
- (g) Subject as provided below, the Borrower may select an Interest Period of one, three or six Months or any other period agreed between the Borrower and the Agent (acting on the instructions of all the Lenders in relation to the relevant Loan).
- (h) Subject as provided below in this Clause 11.1, prior to a Conversion Date, each Interest Period will be for one, three or six months or such other period agreed between the Borrower and the Agent.
- (i) The last Interest Period beginning prior to a Conversion Date shall end on a Conversion Date.
- (j) Each Interest Period beginning on or after a Conversion Date will, subject as provided below, be six months.
- (k) An Interest Period for the Loan shall not extend beyond a Conversion Date and an Interest Period for the Bridge Term Loan shall not extend beyond the Final Maturity Date.
- (l) The Interest Period for the Loan shall start on the first Utilisation Date or a Conversion Date (for a Bridge Term Loan) or (if already made) on the last day of the relevant preceding Interest Period.

11.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

12. CHANGES TO THE CALCULATION OF INTEREST

12.1 Absence of quotations

Subject to Clause 12.2 (*Market disruption*) if EURIBOR is to be determined by reference to the Reference Banks but a Reference Bank does not supply a quotation by the Specified Time on the Quotation Day, the applicable EURIBOR shall be determined on the basis of the quotations of the remaining Reference Banks.

12.2 Market disruption

- (a) If a Market Disruption Event occurs in relation to the Loan for any Interest Period, then the rate of interest on each Lender's share of the Loan for the Interest Period shall be the percentage rate per annum which is the sum of:
 - (viii) the Margin; and
 - (ix) the rate notified to the Agent by that Lender as soon as practicable and in any event by close of business on the date falling one Business Day after the Quotation Day (or, if earlier, on the date falling one Business Days prior to the date on which interest is due to be paid in respect of that Interest Period), to be that which expresses as a percentage rate per annum the cost to that Lender of funding its participation in the Loan from whatever source it may reasonably select.
- (b) If:
 - (i) the percentage rate per annum notified by a Lender pursuant to paragraph (a)(ii) above is less than EURIBOR; or

(ii) a Lender has not notified the Agent of a percentage rate per annum pursuant to paragraph (a)(ii) above,

the cost to that Lender of funding its participation in the Loan for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be EURIBOR.

(c) If a Market Disruption Event occurs the Agent shall, as soon as is practicable, notify the Borrower.

(d) In this Agreement:

"Market Disruption Event" means:

- (i) at or about noon on the Quotation Day for the relevant Interest Period the Screen Rate is not available and none or only one of the Reference Banks supplies a rate to the Agent to determine EURIBOR for the relevant currency and the Interest Period; or
- (ii) before close of business in London on the Quotation Day for the relevant Interest Period, the Agent receives notifications from a Lender or Lenders (whose participations in the Loan exceed 35 per cent. of the Loan) that the cost to it of funding its participation in the Loan from whatever source it may reasonably select would be in excess of EURIBOR.

12.3 Alternative basis of interest or funding

- (a) If a Market Disruption Event occurs and the Agent or the Borrower so requires, the Agent and the Borrower shall enter into negotiations (for a period of not more than thirty days) with a view to agreeing a substitute basis for determining the rate of interest.
- (b) Any alternative basis agreed pursuant to paragraph (a) above shall, with the prior consent of all the Lenders and the Borrower, be binding on all Parties.

12.4 Break Costs

- (a) The Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of the Loan or Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for the Loan or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

13. FEES

13.1 Bridge Facility Fee Letter

The Borrower shall pay fees as described in the Bridge Facility Fee Letter or other applicable Fee Letter subject to any right of credit or rebate under the Bridge Facility Fee Letter.

13.2 Agency fee

The Borrower shall pay (or procure the payment of) to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

13.3 Security Agent fee

The Borrower shall pay (or procure the payment of) to the Security Agent (for its own account) of the Security Agent fee in the amount and at the times agreed in a Fee Letter.

SECTION 6 ADDITIONAL PAYMENT OBLIGATIONS

14. TAX GROSS UP AND INDEMNITIES

14.1 Definitions

In this Agreement:

"Protected Party" means a Finance Party which is or will be subject to any liability or required to make any payment for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

"Tax Credit" means a credit against, relief or remission for, or repayment of, any Tax.

"Tax Deduction" means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

"Tax Payment" means either the increase in a payment made by an Obligor to a Finance Party under Clause 14.2 (*Tax gross-up*) or a payment under Clause 14.3 (*Tax indemnity*).

Unless a contrary indication appears, in this Clause 14, a reference to **"determines"** or **"determined"** means a determination made in the absolute discretion of the person making the determination.

14.2 Tax gross-up

- (a) The Borrower, and the Borrower shall procure that each Obligor, shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Borrower shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Borrower.
- (c) Except (i) as provided by paragraph (e) of Clause 14.9 (*US tax forms*) below or (ii) on account of a Tax specified in paragraph (b)(i) of Clause 14.3 (*Tax Indemnity*), if a Tax Deduction is required by law to be made by the Borrower, the amount of the payment due from the Borrower shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If the Borrower is required to make a Tax Deduction, the Borrower shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (e) As soon as practicable after making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Borrower shall deliver to the Agent for the Finance Party entitled to the payment other evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

14.3 Tax indemnity

- (a) Except as provided by paragraph (b) or Clause 14.9 (*US tax forms*) below, the Borrower shall (within three Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.
- (b) Paragraph (a) above shall not apply:
 - (i) with respect to any Tax assessed on a Finance Party:
 - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or
 - (B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or
 - (ii) to the extent a loss, liability or cost:
 - (A) is compensated for by an increased payment under Clause 14.2 (*Tax gross-up*); or
 - (B) would have been compensated for by an increased payment under Clause 14.2 (*Tax gross-up*) but was not so compensated because one of the exceptions in paragraph (c) of Clause 14.9 (*US tax forms*) applied;
 - (C) relates to a FATCA Deduction required to be made by a Party; or
 - (D) is suffered or incurred with respect to any Bank Levy.
- (c) A Protected Party making, or intending to make a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Borrower.
- (d) A Protected Party shall, on receiving a payment from the Borrower under this Clause 14.3, notify the Agent.

14.4 Tax Credit

If the Borrower makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and
- (b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Borrower which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Borrower.

14.5 Stamp taxes

The Borrower shall pay and, within three Business Days of demand, indemnify each Secured Party and Arranger against any cost, loss or liability that Secured Party or Arranger incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

14.6 VAT

- (a) All amounts expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the

consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).

- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the "**Supplier**") to any other Finance Party (the "**Recipient**") under a Finance Document, and any Party other than the Recipient (the "**Relevant Party**") is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
 - (iii) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
 - (iv) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.
- (d) Any reference in this Clause 14.6 to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated as making the supply, or (as appropriate) receiving the supply, under the grouping rules (as provided for in Article 11 of Directive 2006/112/EC, or as implemented by a Member State).
- (e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

14.7 **FATCA Information**

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party;
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA;
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.
- (e) If the Borrower is a US Tax Obligor or the Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Lender shall, within ten Business Days of:
 - (i) where the Borrower is a US Tax Obligor and the relevant Lender is an Original Lender, the date of this Agreement;
 - (ii) where a Borrower is a US Tax Obligor on a Transfer Date and the relevant Lender is a New Lender, the relevant Transfer Date;

- (iii) the date a new US Tax Obligor accedes as a Borrower; or
- (iv) where a Borrower is not a US Tax Obligor, the date of a request from the Agent, supply to the Agent:
 - (A) a withholding certificate on Form W-8, Form W-9 or any other relevant form; or
 - (B) any withholding statement or other document, authorisation or waiver as the Agent may require to certify or establish the status of such Lender under FATCA or that other law or regulation.
- (f) The Agent shall provide any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) above to the relevant Borrower.
- (g) If any withholding certificate, withholding statement, document, authorisation or waiver provided to the Agent by a Lender pursuant to paragraph (e) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorisation or waiver to the Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Agent). The Agent shall provide any such updated withholding certificate, withholding statement, document, authorisation or waiver to the relevant Borrower.
- (h) The Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) or (g) above without further verification. The Agent shall not be liable for any action taken by it under or in connection with paragraph (e), (f) or (g) above.

14.8 FATCA Deduction

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Borrower and the Agent and the Agent shall notify the other Finance Parties.

14.9 US tax forms

- (a) Each Lender that is a United States person shall, on or prior to the date of the execution and delivery of this Agreement in the case of an Original Lender and on the date of the Transfer Certificate or Assignment Agreement pursuant to which it becomes a Lender in the case of any Lender other than an Original Lender, and from time to time thereafter as reasonably requested in writing by the Agent or the Borrower (but only so long as such Lender remains lawfully able to do so), provide both the Agent and the Borrower with two properly completed and duly executed Internal Revenue Service Forms W-9, as appropriate, or any successor or other form prescribed by the Internal Revenue Service, certifying that such Lender is a United States person and is not subject to United States backup withholding tax on payments made by the Borrower that is a United States person pursuant to this Agreement. For purposes of this Clause 14.9, the term "**United States person**" shall have the meaning specified in Section 7701(a)(30) of the Code.
- (b) Each Lender that is not a United States person shall, on or prior to the date of the execution and delivery of this Agreement in the case of an Original Lender and on the date of the Transfer Certificate or Assignment Agreement pursuant to which it becomes a Lender in the case of any other Lender, and from time to time thereafter as reasonably requested in writing by the Agent or the Borrower, as applicable (but only so long thereafter such Lender remains lawfully able to do so):
 - (i) in the case of a Lender claiming the benefits of an exemption from or reduction in United States federal withholding tax pursuant to a double taxation agreement between the United States and the jurisdiction of which such Lender is or is treated as a resident, provide both the Agent and the Borrower with two properly completed and duly executed Internal Revenue Service Forms W-8BEN, or any successor or other form prescribed by the Internal Revenue Service, certifying that such Lender is exempt from or entitled to a reduced rate of United States federal withholding tax under an applicable double taxation agreement on payments made by the Borrower that is a United States person pursuant to this Agreement; or
 - (ii) in the case of a Lender claiming the benefits of an exemption from United States federal withholding tax because the payments otherwise subject to such withholding tax are effectively connected with the Lender's conduct of a trade or business within the United States, provide both the Agent and the Borrower with two properly completed and duly executed Internal Revenue Service Forms W-8ECI, or any successor or other form prescribed by the Internal Revenue Service, certifying that such payments are effectively connected with the conduct of a trade or business within the United States; or
 - (iii) in the case of a Lender claiming the benefits of the exemption from United States federal withholding tax pursuant to Section 881(c) of the Code with respect to payments of portfolio interest made by the Borrower that is a United States person pursuant to this Agreement, provide both the Agent and the Borrower with (x) a certificate to the effect that such Lender is not (i) a "bank" (within the meaning of Section 881(c)(3)(A) of the Code), (ii) a 10-percent shareholder of the Borrower (within the meaning of Section 881(c)(3)(B) of the Code nor (iii) a controlled foreign corporation related to the Borrower (as such term is described in Section 881(c)(3)(C) of the Code), and (y) two properly completed and duly executed copies of Internal Revenue Service Forms W-8BEN-E or any successor or other form prescribed by the Internal Revenue Service, certifying that the Lender is a non-United States person; or
 - (iv) in the case of a Lender that is a foreign intermediary or foreign flow-through entity for United States federal income tax purposes, provide both the Agent and the Borrower with respect to such Lender two properly completed and duly executed Internal Revenue Service Forms W-8IMY or any successor or other form prescribed by the Internal Revenue Service, as a basis for claiming exemption from United States federal withholding tax on payments made pursuant to this Agreement by the Borrower that is a United States person, together with any supplementary information such Lender is required to transmit with such form and, in the case of either a nonqualified intermediary or a non-withholding foreign partnership that is a foreign flow-through entity, with

respect to each beneficiary or member of such Lender, two copies of the forms or certificates described in paragraph (i), (ii) or (iii) above or this paragraph (iv) of this Clause 14.9(b), as applicable.

- (c) The Agent if not a United States person shall, on or prior to the date of becoming a Party and from time to time thereafter as reasonably requested in writing by the Borrower (but only so long as the Agent remains lawfully able to do so), provide the Borrower two properly completed and duly executed Internal Revenue Service Forms W-8IMY or any successor form prescribed by the Internal Revenue Service, as a basis for claiming exemption from United States federal withholding tax on payments made pursuant to this Agreement by a US Tax Obligor, together with any supplementary information the Agent is required to transmit with such form, (i) certifying that the Agent is a “U.S. branch” and that the payments it receives for the account of others are not effectively connected with the conduct of its trade or business in the United States and that it is using such form as evidence of its agreement with the Borrower to be treated as a United States person with respect to such payments (and the Borrower and the Agent agree to so treat the Agent as a United States person with respect to such payments as contemplated by section 1.1441-1T)(b)(2)(iv) of the US Treasury regulations) or (ii) certifying that the Agent is a “qualified intermediary” assuming primary withholding responsibility with respect to all withholding taxes under chapters 3, 4 and 61 of the Code.
- (d) Any successor Agent that is a United States person shall, on or prior to the date of becoming a successor Agent and from time to time thereafter as reasonably requested in writing by the Borrower (but only so long as such Agent remains lawfully able to do so), provide the Borrower with two properly completed and duly executed Internal Revenue Service Forms W-9, certifying that such Agent is a United States person and is not subject to United States backup withholding tax on payments made by a US Tax Obligor pursuant to this Agreement.
- (e) If the Agent or a Lender fails to provide the Agent and the Borrower with the appropriate Internal Revenue Service form or, if applicable, the certificate, each as described above and each being properly completed and duly executed, or to update them as requested in writing by the Agent or the Borrower, as applicable, (other than if the failure to furnish such form or certificate is due to a change in law, or in the interpretation or application thereof, occurring after the date on which the form or certificate originally was required to be provided or if such form, certificate or other document otherwise is not required under paragraph (a) or (b) of this Clause 14.9 (*US tax forms*)), United States backup withholding tax and United States federal withholding tax, in each case, imposed on any amount paid by the Borrower that is a United States person under this Agreement, shall be excluded from the gross-up at Clause 14.2 (*Tax gross-up*) and the indemnity at Clause 14.3 (*Tax indemnity*) under this Agreement by reason of such failure unless and until the Agent or such the Lender provides the appropriate Internal Revenue Service form or certificate that is properly completed and duly executed and establishing (x) an exemption from United States backup withholding tax and (y) a complete exemption from, or a reduction of, United States federal withholding tax on any amount paid by the Borrower under this Agreement, whereupon United States federal withholding tax at such reduced rate only (to the extent a complete exemption is not available to the Agent or such Lender) shall be excluded from such gross-up and indemnity for periods governed by such form and certificate. If any Internal Revenue Service form provided by a Lender pursuant to this Clause 14.9 at the time such Lender first becomes a Lender hereunder (or upon a change of its lending office) or when it first provides such form indicates a United States federal withholding tax rate in excess of zero, in respect of amounts paid by the Borrower under this Agreement, then United States federal withholding tax at such rate in excess of 0 shall be excluded from the gross-up at Clause 14.2 (*Tax gross-up*) and the indemnity at Clause 14.3 (*Tax indemnity*) under this Agreement unless and until the Lender provides the appropriate form certifying that a lesser rate applies, whereupon United States federal withholding tax at the lesser rate only shall be excluded from the gross-up and indemnity for periods governed by such form; provided, however, that if at the date a Lender transferee or a Lender assignee under a Transfer Certificate or Assignment Agreement becomes a party to this Agreement or at a time a Lender changes its lending office, the Lender transferor, the Lender assignor or the Lender changing its lending office was entitled to payments under Clauses 14.2 (*Tax gross-up*) or 14.3 (*Tax indemnity*) in respect of United States federal withholding tax in connection with interest paid at such date, then, to that extent, the payments under Clause 14.2 (*Tax gross-up*) or the indemnity under Clause 14.3 (*Tax indemnity*) shall include (in addition to withholding taxes that may be imposed in the future or other amounts otherwise included therein) an amount of United States federal withholding tax applicable with respect to the Lender transferor or the Lender assignor on such date.
- (f) In addition, any Lender, if reasonably requested by the Borrower or the Agent, shall deliver such additional documentation prescribed by applicable law or reasonably requested by the Borrower or the Agent as will permit such payments to be made without withholdings or at a reduced rate of withholding or as will enable the Borrower or the Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding sentence, the completion, execution and submission of such documentation described in this paragraph (f) (other than, for the avoidance of doubt, the documentation set forth in paragraph (a), (b), (c) and (d) of this Clause 14.9 (*US tax forms*)) shall not be required if such completion, execution or submission would require the disclosure of information that a Lender reasonably considers to be confidential.
- (g) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower that is a United States person contained in this Clause 14.9 (*US tax forms*) shall survive the payment in full of principal, interest and all other amounts payable hereunder and the termination of this Agreement.

15. INCREASED COSTS

15.1 Increased costs

- (c) Subject to Clause 15.3 (*Exceptions*) the Borrower shall, (or shall procure that an Obligor will) within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:
 - (i) 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; or
 - (ii) compliance with any law or regulation made after the date of this Agreement; or
 - (iii) the implementation or application of, or compliance with, Basel III or CRD IV (only to the extent it implements Basel III) or any law or regulation that implements or applies Basel III or CRD IV (only to the extent it implements Basel III).
- (d) In this Agreement

(i) **"Increased Costs"** means:

- (A) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;
- (B) an additional or increased cost; or
- (C) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or funding or performing its obligations under any Finance Document; and

(ii) **"Basel III"** means:

- (A) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated; and
- (B) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011 as amended, supplemented or restated; and
- (C) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

(iii) **"CRD IV"** means:

- (A) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and
- (B) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

15.2 Increased cost claims

- (a) A Finance Party intending to make a claim pursuant to Clause 15.1 (*Increased costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrower.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs and setting out in reasonable detail the amount thereof and the method by which they have been calculated provided that no such details will need to be provided by such Finance Party if this would breach any of its regulatory or confidential obligations or if commercially sensitive.

15.3 Exceptions

- (a) Clause 15.1 (*Increased costs*) does not apply to the extent any Increased Cost is:
 - (iv) attributable to a Tax Deduction required by law to be made by the Borrower;
 - (v) attributable to a FATCA Deduction required to be made by a Party;
 - (vi) compensated for by Clause 14.3 (*Tax indemnity*) (or would have been compensated for under Clause 14.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 14.3 (*Tax indemnity*) applied);
 - (vii) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation or any terms of any Finance Documents; or
 - (viii) attributable to the implementation or application of or compliance with the "International Convergence of Capital Measurement and Capital Standards, a Revised Framework" published by the Basel Committee on Banking Supervision in June 2004 in the form existing on the date of this Agreement (but excluding any amendment arising out of Basel III) (**Basel II**) or any other law or regulation which implements Basel II (whether such implementation, application or compliance is by a government, regulator, Finance Party or any of its affiliates); or
 - (ix) is suffered or incurred with respect to any Bank Levy.
- (b) In this Clause 15.3 reference to a "Tax Deduction" has the same meaning given to the term in Clause 14.1 (*Definitions*).

16. OTHER INDEMNITIES

16.1 Currency indemnity

- (c) If any sum due from an Obligor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
 - (iv) making or filing a claim or proof against that Obligor; or

- (v) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Borrower, and the Borrower shall procure that each Obligor, shall as an independent obligation, within three Business Days of demand, indemnify the Arranger and each other Secured Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

- (d) The Borrower, and the Borrower shall procure that each Obligor, waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

16.2 Other indemnities

- (c) The Borrower shall (or shall procure that an Obligor will), within three Business Days of demand, indemnify the Arranger and each other Secured Party against any cost, loss or liability incurred by it as a result of:
 - (i) the occurrence of any Event of Default;
 - (ii) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including without limitation, any cost, loss or liability arising as a result of Clause 28 (*Sharing among the Finance Parties*);
 - (iii) funding, or making arrangements to fund, its participation in the Loan requested by the Borrower in the Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or
 - (iv) the Loan (or part of the Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower.
- (d) The Borrower shall promptly indemnify each Finance Party, each Affiliate of a Finance Party and each officer or employee of a Finance Party or its Affiliate, against any cost, loss or liability incurred by that Finance Party or its Affiliate (or officer or employee of that Finance Party or Affiliate) in connection with or arising out of the Acquisition or the funding of the Acquisition (including but not limited to those incurred in connection with any litigation, arbitration or administrative proceedings or regulatory enquiry concerning the Acquisition), unless such loss or liability is caused by the gross negligence or wilful misconduct of that Finance Party or its Affiliate (or employee or officer of that Finance Party or Affiliate) or arises from any loss of profit incurred in connection with the Facility and any losses, liabilities or expenses connected with syndicating or attempting to syndicate the Facility. Any Affiliate or any officer or employee of a Finance Party or its Affiliate may rely on this Clause 16.2 subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.

16.3 Indemnity to the Agent

The Borrower shall promptly indemnify the Agent against:

- (a) any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:
 - (iv) investigating any event which it reasonably believes is a Default;
 - (v) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or
 - (vi) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement; and
- (b) any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 29.11 (*Disruption to Payment Systems etc.*) notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents.

16.4 Indemnity to the Security Agent

- (a) The Borrower shall (and shall procure that each Obligor will jointly and severally) promptly indemnify the Security Agent and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:
 - (vii) any failure by the Borrower to comply with its obligations under Clause 18 (*Costs and expenses*);
 - (viii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
 - (ix) the taking, holding, protection or enforcement of the Transaction Security,
 - (x) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Security Agent and each Receiver and Delegate by the Finance Documents or by law;
 - (xi) any default by any Obligor in the performance of any of the obligations expressed to be assumed by it in the Finance Documents; or
 - (xii) acting as Security Agent, Receiver or Delegate under the Finance Documents or which otherwise relates to any of the Charged Property (otherwise, in each case, than by reason of the relevant Security Agent's, Receiver's or Delegate's gross negligence or wilful misconduct).

- (b) The Borrower expressly acknowledges and agrees that the continuation of its indemnity obligations under this Clause 16.4 will not be prejudiced by any release or disposal of any member of the Group.
- (c) The Security Agent and every Receiver and Delegate may, in priority to any payment to the Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this Clause 16.4 and shall have a lien on the Transaction Security and the proceeds of the enforcement of the Transaction Security for all moneys payable to it.

17. MITIGATION BY THE LENDERS

17.1 Mitigation

- (e) Each Finance Party shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any Facility ceasing to be available or any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 14 (*Tax gross-up and indemnities*) or Clause 15 (*Increased Costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (f) Paragraph (a) above does not in any way limit the obligations of the Borrower under the Finance Documents.

17.2 Limitation of liability

- (a) The Borrower shall (or shall procure that an Obligor will) promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 17.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under Clause 17.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

18. COSTS AND EXPENSES

18.1 Transaction expenses

The Borrower shall promptly on demand and in any event within three Business Days of demand pay (or procure payment) the Agent, the Arranger and the Security Agent the amount of all reasonable costs and expenses (including legal fees) and disbursements subject to the limits as agreed between the Agent and the Borrower reasonably incurred by any of them or their Affiliates (and, in the case of the Security Agent, by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution and perfection of:

- (c) this Agreement and any other documents referred to in this Agreement and the Transaction Security; and
- (d) any other Finance Documents executed after the date of this Agreement.

18.2 Amendment costs

If:

- (a) the Borrower requests an amendment, waiver or consent; or
- (b) an amendment is required pursuant to Clause 29.10 (*Change of currency*),

the Borrower shall, within three Business Days of demand, reimburse each of the Agent and the Security Agent for the amount of all reasonable costs and expenses (including legal fees subject to any applicable arrangements agreed in writing) reasonably incurred by the Agent and the Security Agent (and, in the case of the Security Agent, by any Receiver or Delegate) in responding to, evaluating, negotiating or complying with that request or requirement.

18.3 Enforcement and preservation costs

The Borrower shall (or shall procure that an Obligor will), within three Business Days of demand, pay to the Arranger and each other Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of the preservation of any rights under any Finance Document and the Transaction Security and any proceedings instituted by or against the Security Agent as a consequence of taking or holding the Transaction Security or enforcing these rights.

SECTION 8 REPRESENTATIONS, UNDERTAKINGS AND EVENTS OF DEFAULT

19. REPRESENTATIONS

19.1 General

Save as expressly stated to the contrary, the Borrower makes the representations and warranties set out in this Clause 19 (*Representations*) to each Finance Party at the times specified in Clause 19.32 (*Times when representations made*) and the Borrower acknowledges that the Finance Parties have entered into this Agreement in reliance on these representations and warranties.

19.2 Status

- (a) Each of the Borrower, the Parent Guarantor and each Material Company is a limited liability corporation (or in the case of a US entity, a corporation), duly incorporated and validly existing under the law of its Original Jurisdiction.
- (b) Each of the Borrower, the Parent Guarantor and each Material Company and each of their Restricted Subsidiaries has the power to own its

assets and carry on its business in all material respects as it is being conducted.

19.3 **Binding obligations**

Subject to the Legal Reservations and the Perfection Requirements:

- (a) the obligations expressed to be assumed by it, the Parent Guarantor and each Material Company in each Transaction Document to which it, the Parent Guarantor and each Material Company is a party are legal, valid, binding and enforceable obligations; and
- (b) (without limiting the generality of paragraph (a) above), each Transaction Security Document to which it, the Parent Guarantor and each Material Company is a party creates the security interests which that Transaction Security Document to which it is a party purports to create and those security interests are valid and effective.

19.4 **Non-conflict with other obligations**

The entry into and performance by it, the Parent Guarantor and each Material Company of, and the transactions contemplated by, the Transaction Documents to which it is a party and the granting of the Transaction Security do not and will not conflict with:

- (h) any law or regulation applicable to it, the Parent Guarantor and each Material Company in any material respect;
- (i) the constitutional documents of the Borrower, the Parent Guarantor and each Material Company; or
- (j) any agreement or instrument binding upon it, the Parent Guarantor and each Material Company or any member of the Restricted Group or any of its or any member of the Restricted Group's assets or constitute a default or termination event (however described) under any such agreement or instrument to an extent which has or is reasonably likely to have a Material Adverse Effect.

19.5 **Power and authority and due execution**

- (a) Each of the Borrower, the Parent Guarantor and each Material Company has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance by it and delivery of the Transaction Documents to which it is or will be a party and the transactions contemplated by those Transaction Documents.
- (b) Each of the Borrower, the Parent Guarantor and each Material Company has duly executed and delivered each of the Transaction Documents to which it is or will be a party.
- (c) No limit on the Borrower's, the Parent Guarantor's and each Material Company's powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities contemplated by the Transaction Documents to which the Borrower, the Parent Guarantor and each Material Company is a party.

19.6 **Validity and admissibility in evidence**

- (a) Subject to the Legal Reservations, all Authorisations required:
 - (i) to enable each of the Borrower, the Parent Guarantor and each Material Company lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party; and
 - (ii) to make the Transaction Documents to which each of the Borrower, the Parent Guarantor and each Material Company is a party admissible in evidence in its Relevant Jurisdictions,have been obtained or effected and are in full force and effect except for those necessary to satisfy the Perfection Requirements which will be satisfied promptly after execution of the relevant documents.
- (b) All Authorisations necessary for the conduct of the business, trade and ordinary activities of members of the Restricted Group have been obtained or effected and are in full force and effect save to the extent that the failure to obtain or effect those Authorisations has or is reasonably likely to have a Material Adverse Effect.

19.7 **Governing law and enforcement**

Subject to the Legal Reservations:

- (a) the choice of the governing law of the Finance Documents (to which it, the Parent Guarantor and each Material Company is a party) will be recognised and enforced in its Relevant Jurisdictions; and
- (b) any judgment obtained in relation to a Finance Document (to which it, the Parent Guarantor and each Material Company is a party) in the jurisdiction of the governing law of that Finance Document and any judgment obtained in relation to a Transaction Security Document will be recognised and enforced in its Relevant Jurisdictions.

19.8 **Insolvency**

None of the actions described at clause (7) and none of the orders or decrees described at clause (8) of Part IV (*Events of Default and Remedies*) of Schedule 9 (*Restrictive Covenants and Events of Default*) have been taken or (to the knowledge of the Borrower) have been threatened, made or issued in relation to it, the Parent Guarantor or a Material Company.

19.9 **No filing or stamp taxes**

Under the laws of its Relevant Jurisdiction it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents except for the Perfection Requirements and payment of associated fees which shall be completed and paid promptly (and in any event within the periods prescribed by law) after the date of the relevant Finance Document.

19.10 No default

- (a) No Event of Default and, on the date of this Agreement and the Closing Date, no Default is continuing or could reasonably be expected to result from the making of the Loan or the entry into, the performance of, or any transaction contemplated by, any Transaction Document.
- (b) No other event or circumstance is outstanding which constitutes (or, with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (however described) under any other agreement or instrument which is binding on it or any of its Material Companies or the Parent Guarantor or to which its (or any of its Material Companies or the Parent Guarantor's) assets are subject which has or could reasonably be expected to have a Material Adverse Effect.

19.11 No misleading information

Save as disclosed in writing to the Agent and the Arranger prior to the date of this Agreement (or, in relation to the Information Memorandum, prior to the date of the Information Memorandum):

- (a) all material factual written information contained in the Information Memorandum or the Information Package was true and accurate in all material respects as at the date of the relevant report or document containing the information or (as the case may be) as at the date the information is expressed to be given;
- (b) the Base Case Model has been prepared in accordance with the Accounting Principles as applied to the Original Financial Statements, and the financial projections contained in the Base Case Model have been prepared on the basis of recent historical information and are based on reasonable assumptions believed to be fair and reasonable by the Borrower at the time of being made.
- (c) any financial projection or forecast contained in the Information Memorandum or the Information Package has been prepared on the basis of recent historical information and on the basis of assumptions believed to be fair and reasonable by the Borrower at the time of being made (as at the date of the relevant report or document containing the projection or forecast) and arrived at after careful consideration;
- (d) the expressions of opinion or intention provided by or on behalf of the Borrower, the Parent Guarantor and Bidco for the purposes of the Information Memorandum or the Information Package were made after careful consideration and (as at the date of the relevant report or document containing the expression of opinion or intention) were fair and based on reasonable grounds;
- (e) no event or circumstance has occurred or arisen and no information has been omitted from the Information Memorandum or the Information Package and no information has been given or withheld that results in the information, opinions, intentions, forecasts or projections contained in the Information Memorandum or the Information Package being untrue or misleading in any material respect; and
- (f) all other written information provided by the Parent Guarantor or any member of the Group (including its advisers) to a Finance Party or the provider of any Report was true, complete and accurate in all material respects as at the date it was provided and is not misleading in any respect.

19.12 Original Financial Statements

- (a) The Original Financial Statements were prepared in accordance with the Accounting Principles consistently applied and give a true and fair view of its financial condition and results of operations as at the date they were prepared during the relevant financial year.
- (b) There has been no material adverse change in the assets, business or consolidated financial condition of the Parent Guarantor Group since the date of the Original Financial Statements.
- (c) The budgets and forecasts supplied under this Agreement were arrived at after careful consideration and have been prepared in good faith on the basis of recent historical information and on the basis of assumptions which were reasonable as at the date they were prepared and supplied.

19.13 No proceedings pending or threatened

No litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency which are reasonably likely to be determined adversely to it and which, if so adversely determined, are reasonably likely to have a Material Adverse Effect have (to the best of its knowledge and belief (having made due and careful enquiry)) been started or threatened in writing against it or any of its Restricted Subsidiaries.

19.14 No breach of laws

- (a) It has not (and to the best of its knowledge and belief (having made due and careful enquiry) none of its Restricted Subsidiaries has) breached any law or regulation which breach has or could reasonably be expected to have a Material Adverse Effect.
- (b) No labour disputes are current or, to the best of its knowledge and belief (having made due and careful enquiry), threatened against any member of the Restricted Group which have or are reasonably likely to have a Material Adverse Effect.

19.15 Environmental laws

- (a) It and each member of the Restricted Group is in compliance with Clause 21.4 (*Environmental compliance*) and to the best of its knowledge and belief (having made due and careful enquiry) no circumstances have occurred which would prevent such compliance in a manner or to an extent which has or could reasonably be expected to have a Material Adverse Effect.

- (b) No Environmental Claim has been commenced or (to the best of its knowledge and belief (having made due and careful enquiry)) is threatened in writing against any member of the Restricted Group where that claim has or could reasonably be expected, if determined against that member of the Restricted Group, to have a Material Adverse Effect.

19.16 **Taxation**

- (a) It is not (and none of its Restricted Subsidiaries are) overdue in the filing of any Tax returns and it is not (and none of its Restricted Subsidiaries are) overdue in the payment of any amount in respect of Tax in each case which would result in liabilities of or claims against any members of the Restricted Group to an extent which could reasonably be expected to have a Material Adverse Effect.
- (b) No claims or investigations are being, or are reasonably likely to be, made or conducted against it (or against any member of the Restricted Group) with respect to Taxes which would be reasonably likely to give rise to a liability of, or claim against, any member of the Restricted Group which would have a Material Adverse Effect.
- (c) It is resident for Tax purposes only in its Original Jurisdiction.

19.17 **Security and Financial Indebtedness**

- (a) No Security or Quasi-Security exists over all or any of the present or future assets of any member of the Restricted Group other than as permitted under this Agreement and under Schedule 9 (*Restrictive Covenants and Events of Default*).
- (b) No member of the Restricted Group has any Financial Indebtedness outstanding other than as permitted under this Agreement and under Schedule 9 (*Restrictive Covenants and Events of Default*).

19.18 **Ranking**

Subject to the Legal Reservations and the Perfection Requirements, the Transaction Security has or will have the ranking in priority which it is expressed to have in the Transaction Security Documents and it is not subject to any prior ranking or *pari passu* ranking Security other than any Permitted Lien or as otherwise set forth in the Transaction Security Documents.

19.19 **Good title to assets**

It and each of its Restricted Subsidiaries has a good, valid and marketable title to, or valid leases or licences of, and all appropriate Authorisations to use, the assets necessary to carry on its business as presently conducted where failure to do so would be reasonably likely to have a Material Adverse Effect.

19.20 **Legal and beneficial ownership**

- (a) It and each of its Material Companies is the sole legal and beneficial owner of the respective shares and other material assets over which it purports to grant Security.
- (b) All the Target Shares are, or will on the Closing Date be, beneficially and, (subject to stamping of the relevant stock transfer forms and the necessary registration in the shareholder's register of the Target) legally owned by Bidco free from any claims, third party rights or competing interests other than any Permitted Liens.

19.21 **Shares**

- (a) The shares of any member of the Restricted Group which are subject to the Transaction Security are fully paid and not subject to any option to purchase or similar rights.
- (b) The constitutional documents of companies whose shares are subject to the Transaction Security do not and could not restrict or inhibit any transfer of those shares on creation or enforcement of the Transaction Security (other than to the extent such restrictions or inhibitions are required by applicable law).
- (c) There are no agreements in force or corporate resolutions passed which provide for the issue or allotment of, or grant any person the right to call for the issue or allotment of, any share or loan capital of any member of the Group (including any option or right of pre-emption or conversion).

19.22 **Intellectual Property**

It and each of its Material Companies:

- (a) is the sole legal and beneficial owner of or has licensed to it all the Intellectual Property which is material in the context of its business and which is required by it in order to carry on its business as it is being conducted;
- (b) does not (nor does any of its Restricted Subsidiaries), in carrying on its businesses, infringe any Intellectual Property of any third party in any respect which has or could reasonably be expected to have a Material Adverse Effect; and
- (c) has taken all formal or procedural actions (including payment of fees) required to maintain any material Intellectual Property owned by it where failure to do so could reasonably be expected to have a Material Adverse Effect.

19.23 **Group Structure Chart**

Assuming the Closing Date has occurred, the Group Structure Chart delivered to the Agent pursuant to Schedule 2 (*Conditions Precedent*) is (to the best of its knowledge, information and belief in the case of information relating to the Target Group) true, complete and accurate in all material respects.

19.24 **Acquisition Documents, Disclosures and Other Documents**

- (a) The Acquisition Documents contain all the material terms of the Acquisition.
- (b) The Equity Documents and the Structural Intra-Group Loans contain all the material terms of all the agreements and arrangements between the Borrower and any member of the Group in relation to the investment (whether by way of equity, debt or otherwise) in connection with the Acquisition.

19.25 **Pensions**

All pension schemes operated by or maintained for the benefit of it or any of its Subsidiaries and/or any of their respective employees are fully funded to the extent required by applicable local law and regulation where failure to do so would have a Material Adverse Effect.

19.26 **Centre of main interests and establishments**

For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the "**Regulation**"), its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in its Original Jurisdiction.

19.27 **Anti-Corruption Laws and Sanctions**

The Borrower and the Parent Guarantor maintain in effect policies and procedures designed to ensure compliance by the Parent Guarantor, the Borrower and each of their Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions. The Parent Guarantor, the Borrower and each of their Subsidiaries and, to the knowledge of the Borrower, their respective directors, officers, employees and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects, and no action, suit or proceeding by or before any Governmental Authority involving the Parent Guarantor, the Borrower and each of their Subsidiaries with respect to Anti-Corruption Laws or Sanctions is pending nor, to the best knowledge of the Borrower, threatened. None of the Parent Guarantor, the Borrower nor any of their Subsidiaries nor, to the knowledge of the Parent Guarantor, the Borrower or such Subsidiary, any of their respective directors, officers or employees nor any of their respective agents that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No part of the proceeds of the Loans will be used by the Borrower in violation of Anti-Corruption Laws or applicable Sanctions.

19.28 **Anti-Terrorism Laws**

Neither it, the Parent Guarantor nor any other member of the Group nor any of its or their respective officers, directors, brokers or agents has:

- (a) violated any Anti-Terrorism Laws;
- (b) deals in, or otherwise engages in any transaction related to, any property or interests in property blocked pursuant to any Anti-Terrorism Law; or
- (c) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law.

19.29 **US government regulations**

- (a) Neither it, nor any of its Subsidiaries, nor the Parent Guarantor is an "investment company", or a company "controlled" by an "investment company," as such terms are defined in the Investment Company Act of 1940, as amended.
- (b) Neither it nor the Parent Guarantor is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System of the United States of America) as in effect from time to time, and no proceeds of the Loan will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

19.30 **Employee Benefit Plans**

- (a) No ERISA Event has occurred or is reasonably expected to occur that has resulted in or is reasonably expected to result in a Material Adverse Effect.
- (b) Schedule B (Actuarial Information) to the most recent annual report (Form 5500 Series) for each Plan that has been filed with the Employee Benefits Security Administration of the United States of America, is complete and accurate and fairly presents the funding status of such Plan, and since the date of such Schedule B there has been no material adverse change in such funding status.
- (c) Neither it, nor any of its Subsidiaries, nor any ERISA Affiliate has incurred or is reasonably expected to incur any Withdrawal Liability to any Multiemployer Plan to the extent such incurrence would have or be reasonably likely to have a Material Adverse Effect.
- (d) Except as would not reasonably be expected to have a Material Adverse Effect, neither it, nor any of its Subsidiaries, nor any ERISA Affiliate has been notified in writing by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganisation or has been terminated, within the meaning of Title IV of ERISA, and no such Multiemployer Plan is reasonably expected to be in reorganisation or to be terminated, within the meaning of Title IV of ERISA.

19.31 **Solvency**

The Borrower and Parent Guarantor are US Solvent.

19.32 **Times when representations made**

- (a) All the representations and warranties in this Clause 19 are made by the Borrower on the date of this Agreement and on the Closing Date.
- (b) The Repeating Representations are deemed to be made by the Borrower on the date of the Utilisation Request, on each Utilisation Date and on the first day of each Interest Period (except that those contained in paragraphs (a) and (b) of Clause 19.12 (*Original Financial Statements*) will only be made once in respect of each set of financial statements on the date such financial statements are delivered under this Agreement).
- (c) Each representation and warranty deemed to be made after the date of this Agreement shall be deemed to be made by reference to the facts and circumstances existing at the date the representation or warranty is deemed to be made.

20. INFORMATION UNDERTAKINGS

The undertakings in this Clause 20 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

20.1 Information – miscellaneous

The Borrower shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

- (c) as soon as reasonably practicable after they are dispatched, copies of all documents required by law to be dispatched by the Borrower to its shareholders generally (or any class of them) or dispatched by the Borrower or any Obligor to its creditors generally (or any class of them);
- (d) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group and which, if adversely determined, are reasonably likely to have a Material Adverse Effect;
- (e) (and shall procure that another member of the Group will) promptly upon becoming aware of or receiving a request for (as the case may be):
 - (iii) details of any material breach of the terms of the Acquisition Documents or any material claim made by or against it under the terms of the Acquisition Documents of which it is aware; and
 - (iv) details of any material changes in the corporate structure of the Group from that set out in the most recently delivered Group Structure Chart together with, if requested, an updated Group Structure Chart;
- (f) promptly, such information as the Security Agent may reasonably require about the Charged Property and compliance of the Obligors with the terms of any Transaction Security Documents;
- (g) promptly upon the designation of a Restricted Subsidiary as an Unrestricted Subsidiary or the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary in accordance with the provisions of the Senior Secured Notes, the details of any such designation or redesignation; and
- (h) on each anniversary of the date of this Agreement, a list of its Material Companies.

20.2 Notification of default

- (c) The Borrower shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.
- (d) Promptly upon a request by the Agent, the Borrower shall supply to the Agent a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

20.3 Information Undertakings applicable

For so long as any amount is outstanding under the Finance Documents or any Commitment is in force:

- (k) the Borrower shall comply with the undertakings and provisions expressed to be applicable to it set out in Part III of Schedule 9 (*Restrictive Covenants and Events of Default*); and
- (l) the Borrower shall deliver to the Agent, within 30 days after the occurrence thereof, written notice in the form of a director's certificate of any event which is, or with the giving of notice or lapse of time or both would become, an Event of Default, its status and what action the Borrower or any other member of the Group is taking or proposes to take in respect thereof.

20.4 "Know your customer" checks

- (d) If:
 - (i) 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;
 - (ii) any change in the status of an Obligor or the composition of the shareholders of an Obligor after the date of this Agreement; or
 - (iii) a proposed assignment or transfer by a Lender of any of its rights and/or obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) 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, the Borrower shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) 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.

- (e) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the 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.
- (f) In relation to each Obligor that is not the Borrower, the Borrower shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender in order for the Agent or such 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.

20.5 Patriot Act

Each Lender hereby notifies the Borrower that pursuant to the requirements of the Patriot Act, such Lender is required to obtain, verify and record information that identifies each Obligor and such information includes the name and address of such Obligor and other information that will allow such Lender to identify such Obligor in accordance with the Patriot Act. The Borrower shall, and shall cause the Parent Guarantor and each of its Subsidiaries to, provide such information and take such actions as are reasonably requested by the Agent or any other Finance Party in order to assist the Agent and the other Finance Parties in maintaining compliance with the Patriot Act.

21. GENERAL UNDERTAKINGS

The undertakings in this Clause 21 remain in full force and effect from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force save that the following undertakings shall only be in full force and effect until the Changeover Date: Clause 21.4 (*Environmental compliance*), 21.5 (*Environmental claims*) and 21.8 (*Change of business*) to 21.9 (*Preservation of assets*) (inclusive), 21.11 (*Insurance*), 21.12 (*Pensions*), 21.14 (*Intellectual Property*), 21.16 (*Further assurance*), paragraph (b) of 21.17 (*Unrestricted Subsidiaries*) and paragraphs (a) and (d) of 21.18 (*Acquisition and Equity Documents*) and 21.20 (*ERISA reporting requirements*).

21.1 Restrictive Covenants

The Borrower shall comply with the covenants set out in Schedule 9 (*Restrictive Covenants and Events of Default*).

Authorisations and compliance with laws

21.2 Authorisations

Subject to the Legal Reservations, the Borrower, and the Borrower shall procure that each Obligor, shall promptly:

- (m) do all such things as are necessary to maintain its status as a legal entity;
- (n) obtain, comply with and do all that is necessary to maintain in full force and effect any Authorisation required under any law or regulation:
 - (i) of a Relevant Jurisdiction to enable it to perform its obligations under the Transaction Documents to which it is a party;
 - (ii) of a Relevant Jurisdiction to ensure the legality, validity, enforceability or admissibility in evidence of any Transaction Document to which it is a party; and
 - (iii) of a Relevant Jurisdiction or any jurisdiction where it conducts its business to carry on its business except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

21.3 Compliance with laws

Except as set forth in the in the following sub-clauses, the Borrower shall, and procures that each member of the Group will:

- (a) comply with the requirements of all applicable Laws and orders of any Governmental Authority (including Environmental Laws), except to the extent non-compliance could not reasonably be expected to have a Material Adverse Effect;
- (b) comply in all material respects with all Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions; and
- (c) maintain in effect and enforce policies and procedures designed to ensure compliance by the Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions.

21.4 Environmental compliance

The Borrower shall, and the Borrower shall procure that each Obligor will, (and the Borrower shall ensure that each member of the Restricted Group will):

- (a) comply with all Environmental Law;

- (b) obtain, maintain and ensure compliance with all requisite Environmental Permits; and
 - (c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law,
- where failure to do so has or could reasonably be expected to have a Material Adverse Effect.

21.5 **Environmental claims**

The Borrower shall, promptly upon becoming aware of the same, inform the Agent in writing of:

- (a) any Environmental Claim against any member of the Restricted Group which is current, pending or threatened; and
- (b) any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened in writing against any member of the Restricted Group,

where the claim, if determined against that member of the Restricted Group, has or could reasonably be expected to have a Material Adverse Effect.

21.6 **Sanctions and Anti-Corruption Use of Proceeds Restrictions**

The Borrower shall not, and shall ensure that its Subsidiaries and its or their respective directors, officers, employees and agents will not, use the proceeds of any Loan:

- (a) in furtherance of an offer, payment, promise to pay or authorisation of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws;
- (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person or in any Sanctioned Country; or
- (c) in any manner that would result in the violation of any applicable Sanctions by the Borrower.

21.7 **Taxation**

- (a) The Borrower shall (and the Borrower shall ensure that each Material Company will) pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:
 - (i) such payment is being contested in good faith; and
 - (ii) failure to pay such Taxes does not have or could not reasonably be expected to have a Material Adverse Effect.
- (b) The Borrower shall (and the Borrower shall ensure that no Material Company will) change its residence for Tax purposes.

Restrictions on business focus

21.8 **Change of business**

The Borrower shall procure that no substantial change is made to the general nature of the business of the Restricted Group taken as a whole from that carried on by the Target Group at the date of this Agreement.

Restrictions on dealing with assets and Security

21.9 **Preservation of assets**

The Borrower shall (and the Borrower shall ensure that each member of the Restricted Group will) maintain in good working order and condition (ordinary wear and tear excepted) all of its material assets necessary in the conduct of its business where failure to do so has or could reasonably be expected to have a Material Adverse Effect.

21.10 **Pari passu ranking**

The Borrower shall, and the Borrower shall procure that each Obligor will, ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

21.11 **Insurance**

- (a) The Borrower shall (and the Borrower shall ensure that each Material Company will) maintain insurances on and in relation to its business and assets against those risks and to such extent as is usual for companies carrying on the same or substantially similar business.
- (b) All insurances must be with reputable independent insurance companies or underwriters (provided that if an insurer ceases to be a reputable independent insurance company or underwriter, no breach of this provision shall arise if the Group uses commercially reasonable endeavours to replace such insurer promptly upon becoming aware of the relevant circumstances).
- (c) Where insurances and risks have been identified in the Insurance Report, the Borrower shall ensure the insurances maintained are at least in respect of the business and assets and against the risks and to the extent recommended in the Insurance Report.

21.12 **Pensions**

The Borrower shall procure that all pension schemes operated by or maintained for the benefit of any member of the Restricted Group and/or any of their employees are fully funded to the extent required by their terms and applicable laws where failure to do so would reasonably be expected to have a Material Adverse Effect.

21.13 Access

If an Event of Default is continuing or the Agent reasonably suspects an Event of Default is continuing or may occur, the Borrower shall, and the Borrower shall ensure that each member of the Restricted Group will, permit the Agent and/or the Security Agent and/or accountants or other professional advisers and contractors of the Agent or Security Agent (in the presence of the Borrower) access during regular business hours and at times reasonably convenient to management and on reasonable notice (being no less than 3 Business Days) at the cost of the Borrower to:

- (a) inspect the premises, assets, books, accounts and records of the Obligors and, in consultation with the Borrower, each member of the Restricted Group and to take copies and extracts from such books, accounts and records; and
- (b) meet and discuss matters with senior management of the relevant Obligors and, in consultation with the Borrower, other members of the Restricted Group.

21.14 Intellectual Property

The Borrower shall, and the Borrower shall procure that each Material Company will:

- (a) preserve and maintain the subsistence and validity of the Intellectual Property necessary for the business of the relevant Material Company;
- (b) use reasonable endeavours to prevent any infringement in any material respect of the Intellectual Property;
- (c) make registrations and pay all registration fees and Taxes necessary to maintain the Intellectual Property in full force and effect and record its interest in that Intellectual Property;
- (d) not use or permit the Intellectual Property to be used in a way or take any step or omit to take any step in respect of that Intellectual Property which may materially and adversely affect the existence or value of the Intellectual Property or imperil the right of any Material Company to use such property; and
- (e) not discontinue the use of the Intellectual Property,

where failure to do so, in the case of paragraphs (a), (b) and (c) above, or, in the case of paragraphs (d) and (e) above, such use, permission to use, omission or discontinuation, has or could reasonably be expected to have a Material Adverse Effect.

21.15 Financial assistance

The Borrower shall, and the Borrower shall procure that each Obligor will, comply in all respects with any financial assistance legislation in any Relevant Jurisdiction including in relation to the execution of any Transaction Security Document and payment of amounts due under this Agreement.

21.16 Further assurance

- (a) The Borrower shall (and the Borrower shall procure that each Material Company will) promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Security Agent may reasonably specify (and in such form as the Security Agent may reasonably require in favour of the Security Agent or its nominee(s)):
 - (i) to perfect the Security created or intended to be created under or evidenced by the Transaction Security Documents (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of the Transaction Security) or for the exercise of any rights, powers and remedies of the Security Agent or the Finance Parties provided by or pursuant to the Finance Documents or by law; and/or
 - (ii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security provided that such realisation is undertaken in violation of the terms of the relevant Transaction Security Document.
- (b) The Borrower shall (and the Borrower shall procure that each Material Company shall) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Security Agent or the Finance Parties by or pursuant to the Finance Documents.

21.17 Unrestricted Subsidiaries

- (a) (i) Save as set out in (a)(ii) below, nothing in this Agreement shall restrict the Borrower from designating a member of the Group as an Unrestricted Subsidiary (provided that such Subsidiary meets the requirements for such designation set out in Schedule 9 (*Restrictive Covenants and Events of Default*)); and
- (ii) the Borrower shall not designate an Obligor as an Unrestricted Subsidiary.
- (b) If a member of the Group is designated as an Unrestricted Subsidiary, the Borrower will (i) ensure that the Unrestricted Subsidiary does not (and will, for so long as it is an Unrestricted Subsidiary, not) legally or beneficially own shares in any Restricted Subsidiary; and (ii) use its reasonable endeavours to ensure that no member of the Restricted Group has any material liabilities (including pension, environmental and Tax liabilities) to or in respect of the Unrestricted Subsidiary and if any such material liability arises the Borrower will promptly notify the Agent and procure that the Unrestricted Subsidiary becomes a Restricted Subsidiary to the extent required pursuant to Schedule 9 (*Restrictive Covenants and Events of Default*) as soon as reasonably practicable and in any event within 20 Business Days of the first date on which the Borrower is aware of the material liability.

21.18 Acquisition and Equity Documents

- (a) The Borrower shall (and the Borrower shall ensure that each other member of the Group will) take all reasonable action to preserve and enforce any rights it has in relation to the Acquisition Documents and to enforce all other rights and entitlements they may have under the Acquisition Documents, if and to the extent that the directors of the Borrower (acting reasonably) believe that it is commercially advantageous for the Group and appropriate to do so.
- (b) The Borrower shall not (and the Borrower shall ensure that no member of the Group will) (i) amend, vary, novate, supplement, supersede, waive or terminate any terms of an Equity Document, a Structural Intra-Group Loan or an Acquisition Document, in each case in any respect which is materially adverse to the interests of the Lenders under the Finance Documents (otherwise than with the consent of the Majority Lenders); or (ii) repay or prepay or redeem any Equity Document or Structural Intra-Group Loan save for any repayment, prepayment or redemption used to meet a payment obligation under the Finance Documents.
- (c) The Borrower shall not (and the Borrower shall ensure that no member of the Group will) amend, vary, novate, supplement, supersede, waive or terminate any terms of any constitutional documents of any member of the Group whose shares are the subject of Transaction Security, in a manner that could reasonably be expected to prejudice the Transaction Security.
- (d) Bidco shall (and the Borrower will procure that Bidco will) promptly pay all amounts payable to the Vendor under the Acquisition Documents as and when they become due (except to the extent that any payment is being contested in good faith by a member of the Restricted Group and where adequate reserves have been set aside for any such payment).

21.19 Centre of Main Interests

The Borrower shall, and the Borrower shall ensure that each Material Company will, procure that none of its Subsidiaries will, do anything to change the location of its centre of main interests, for the purposes of Council Regulation (EC) No 1346/2000 of 29th May 2000 on insolvency proceedings, where that change would be reasonably likely to be materially adverse to the interests of the Finance Parties.

21.20 ERISA reporting requirements

The Borrower shall (and the Borrower shall ensure that each relevant member of the Group will):

- (a) ERISA Events and ERISA Reports: promptly and in any event within 10 Business Days after the Borrower or any ERISA Affiliate knows or has reason to know that any ERISA Event that would reasonably be expected to have a Material Adverse Effect has occurred, deliver to the Agent a statement of the finance director of the Borrower describing such ERISA Event and the action, if any, that the Borrower or such ERISA Affiliate has taken and proposes to take with respect thereto;
- (b) Plan Terminations: promptly and in any event within five Business Days after receipt thereof by the Borrower or any ERISA Affiliate, deliver to the Agent copies of each written notice from the PBGC stating its intention to terminate any Plan or to have a trustee appointed to administer any Plan;
- (c) Plan Annual Reports: promptly upon the written request of the Agent, deliver to the Agent copies of each Schedule B (Actuarial Information) to the annual report (Form 5500 Series) most recently filed by it with the Employee Benefits Security Administration of the United States with respect to each Plan; and
- (d) Multiemployer Plan Notices: promptly and in any event within 15 Business Days after receipt thereof by it or any ERISA Affiliate from the sponsor of a Multiemployer Plan, deliver to the Agent copies of each written notice concerning the following events to the extent such event has or would reasonably be expected to have a Material Adverse Effect:
 - (i) the imposition of Withdrawal Liability by any such Multiemployer Plan;
 - (ii) the reorganisation or termination, within the meaning of Title IV of ERISA, of any such Multiemployer Plan; or
 - (iii) the amount of liability incurred, or that may be incurred, by the Borrower or any ERISA Affiliate in connection with any event described in paragraph (i) or (ii) above.

21.21 Syndication assistance

From the Changeover Date until the date falling six months after the Changeover Date, the Borrower shall, and shall ensure that the other members of the Group will, give any assistance which the Arrangers reasonably require in relation to syndication of the Facility including, but not limited to:

- (a) the preparation, with the assistance of the Arrangers, of an Information Memorandum. The Borrower shall approve the Information Memorandum before the Arrangers distribute it to potential Lenders on the Borrower's behalf;
- (b) providing all information in the Borrower's possession or reasonably available to it that is reasonably requested by the Arrangers or potential Lenders to complete the syndication of the Facility, subject to any restrictions and/or limitations imposed by any applicable contractual obligations, law or regulations;
- (c) to the extent reasonably required, making the Borrower's appropriate officers and representatives and consultants and advisers available, and using commercially reasonable efforts to make appropriate officers and representatives of the Target Group available, to participate in an agreed number of presentations to and conference calls with potential Lenders at such times and places as the Arrangers may reasonably request and on reasonable notice; and
- (d) using commercially reasonable efforts to ensure that the syndication of the Facility efforts benefit from the Group's existing lending relationships.

21.22 Material Companies

The Borrower undertakes that at all times after the signing of this Agreement:

- (a) the aggregate of the EBITDA of the Material Companies (in each case calculated on an unconsolidated basis and excluding all intra-group items and investments in Subsidiaries of any member of the Restricted Group) represents no less than 75% of the EBITDA of the Restricted Group;
- (b) the aggregate of the gross assets of the Material Companies (in each case calculated on an unconsolidated basis and excluding all intra-group items and investments in Subsidiaries of any member of the Restricted Group) represents no less than 65% of the consolidated gross assets of the Restricted Group;
- (c) the aggregate turnover of the Material Companies (in each case calculated on an unconsolidated basis and excluding all intra-group items and investments in Subsidiaries of any member of the Restricted Group) represents no less than 75% of the consolidated turnover of the Restricted Group.

22. EVENTS OF DEFAULT

22.1 Events of Default

Each of the events or circumstances set out in this Clause 22 is an Event of Default (save for Clause 22.15 (*Acceleration*)) save that the events or circumstances set out in Clause 22.2 (*Non-Payment*), Clause 22.5 (*Cross Default*), Clause 22.9 (*Audit Qualification*), 22.10 (*Expropriation*), 22.12 (*ERISA Event of Default*) and 22.13 (*Litigation*) shall be Events of Default from the date of this Agreement until the Changeover Date.

22.2 Non-Payment

An Obligor or the Parent Guarantor does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

- (d) its failure to pay is caused by:
 - (iv) administrative or technical error; or
 - (v) a Disruption Event; and
- (e) payment is made within three Business Days of its due date.

22.3 Other Obligations

- (d) An Obligor or the Parent Guarantor does not comply with any provision of the Finance Documents (other than those referred to in Clause 22.2 (*Non-payment*)).
- (e) Prior to the Changeover Date, no Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 15 Business Days of the earlier of (i) the Agent giving notice to the Borrower or relevant Obligor or the Parent Guarantor and (ii) the Borrower or an Obligor or the Parent Guarantor becoming aware of the failure to comply.
- (f) On and after the Changeover Date, no Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 60 days of the earlier of (i) the Agent giving notice to the Borrower or relevant Obligor or the Parent Guarantor and (ii) the Borrower or an Obligor or the Parent Guarantor becoming aware of the failure to comply.

22.4 Misrepresentation

- (c) Any representation or statement made or deemed to be made by an Obligor or the Parent Guarantor in the Finance Documents or any other document delivered by or on behalf of any Obligor or the Parent Guarantor under or in connection with any Finance Document is or proves to have been incorrect or misleading when made or deemed to be made.
- (d) Prior to the Changeover Date, no Event of Default will occur under paragraph (a) above if the circumstances giving rise to that misrepresentation are capable of remedy and are remedied within 15 Business Days of the earlier of (i) Borrower or relevant Obligor or the Parent Guarantor becoming aware of such misrepresentation and (ii) the giving of notice by the Agent in respect of such misrepresentation.
- (e) On and after the Changeover Date, no Event of Default will occur under paragraph (a) above if the circumstances giving rise to that misrepresentation are capable of remedy and are remedied within 60 days of the earlier of (i) Borrower or relevant Obligor or the Parent Guarantor becoming aware of such misrepresentation and (ii) the giving of notice by the Agent in respect of such misrepresentation.

22.5 Cross default

- (d) Any Financial Indebtedness of the Borrower, the Parent Guarantor or any member of the Restricted Group is not paid when due nor within any originally applicable grace period.
- (e) Any Financial Indebtedness of the Borrower, the Parent Guarantor or any member of the Restricted Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (f) Any commitment for any Financial Indebtedness of the Borrower, the Parent Guarantor or any member of the Restricted Group is cancelled or suspended by a creditor of the Borrower, the Parent, the Guarantor or any member of the Restricted Group or as a result of an event of default (however described).
- (g) Any creditor of the Borrower, the Parent Guarantor or any member of the Restricted Group becomes entitled to declare any Financial Indebtedness of the Borrower, the Parent Guarantor or any member of the Restricted Group due and payable prior to its specified maturity

as a result of an event of default (however described).

No Event of Default will occur under this Clause 22.5 if, in the case of Financial Indebtedness (other than Financial Indebtedness incurred under the Senior Secured Notes), the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than EUR10,000,000 (or its equivalent in any other currency or currencies).

22.6 Events of Default Schedule

In addition to the Events of Default set out below, each of the events or circumstances set out in Part IV of Schedule 9 (*Restrictive Covenants and Events of Default*) is an Event of Default.

22.7 Unlawfulness and invalidity

- (a) It is or becomes unlawful for the Borrower, the Parent Guarantor or a Material Company that is a party to the Intercreditor Agreement to perform any of its obligations under the Finance Documents or any Transaction Security created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective and this, individually or cumulatively, could reasonably be expected to materially adversely affect the interests of the Lenders or any subordination created under the Intercreditor Agreement is or becomes unlawful.
- (b) Any obligation or obligations of the Borrower, the Parent Guarantor or a Material Company under any Finance Documents or any other member of the Restricted Group under the Intercreditor Agreement are not (subject to the Legal Reservations) or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.
- (c) Any Finance Document ceases to be in full force and effect or any Transaction Security or any subordination created under the Intercreditor Agreement ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective.

22.8 Repudiation and rescission of agreements

- (a) The Borrower, the Parent Guarantor or a Material Company (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Finance Document or any Transaction Security.
- (b) Any party to the Acquisition Documents or the Equity Documents or the Structural Intra-Group Loans rescinds or purports to rescind or repudiates or purports to repudiate any of those agreements or instruments in whole or in part where to do so has or is, in the reasonable opinion of the Majority Lenders, likely to have a material adverse effect on the interests of the Lenders under the Finance Documents.

22.9 Audit qualification

The Auditors of the Group or the Parent Guarantor (as applicable) qualify the audited annual consolidated financial statements of any member of the Restricted Group or the Parent Guarantor (as applicable).

22.10 Expropriation

The authority or ability of the Borrower, the Parent Guarantor or any member of the Restricted Group to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to the Borrower, the Parent Guarantor or any member of the Restricted Group or any of its assets.

22.11 Material adverse change

Any event or circumstance occurs which has or could reasonably be expected to have a Material Adverse Effect.

22.12 ERISA Event of Default

- (c) Any ERISA Event shall have occurred and the sum (determined as of the date of occurrence of such ERISA Event) of the Insufficiency of such Plan and the Insufficiency of any and all other Plans with respect to which an ERISA Event shall have occurred and then exist (or the liability of the Restricted Group and the ERISA Affiliates related to such ERISA Event) which has or could reasonably be expected to have a Material Adverse Effect.
- (d) Any member of the Restricted Group or any ERISA Affiliate shall have incurred Withdrawal Liability to such Multiemployer Plan in an amount that, when aggregated with all other amounts required to be paid to Multiemployer Plans by the Obligors and the ERISA Affiliates as Withdrawal Liability (determined as of the date of such notification), which has or could reasonably be expected to have a Material Adverse Effect or requires payments which have or could reasonably be expected to have a Material Adverse Effect.
- (e) Any member of the Restricted Group or any ERISA Affiliate shall have been notified in writing by the sponsor of a Multiemployer Plan that such Multiemployer Plan is in reorganisation or is being terminated, within the meaning of Title IV of ERISA, and as a result of such reorganisation or termination the aggregate annual contributions of the Obligors and the ERISA Affiliates to all Multiemployer Plans that are then in reorganisation or being terminated have been or will be increased over the amounts contributed to such Multiemployer Plans for the plan years of such Multiemployer Plans immediately preceding the plan year in which such reorganisation or termination occurs by an amount which has or could reasonably be expected to have a Material Adverse Effect.

22.13 Litigation

Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes are commenced or threatened in relation to the Transaction Documents or the transactions contemplated in the Transaction Documents or against the Parent Guarantor or any member

of the Restricted Group or its assets which have or are reasonably likely to have a Material Adverse Effect.

22.14 **Intercreditor**

- (a) Any party to the Intercreditor Agreement (other than a Finance Party or an Obligor) fails to comply with the provisions of, or does not perform its obligations under, the Intercreditor Agreement; or
- (b) a representation or warranty given by that party in the Intercreditor Agreement is incorrect in any material respect,

and, if the non-compliance or circumstances giving rise to the misrepresentation are capable of remedy, it is not remedied within 15 Business Days of the earlier of the Agent giving notice to that party or that party becoming aware of the non-compliance or misrepresentation.

22.15 **Acceleration**

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrower (the date of such notice being the "**Acceleration Date**");

- (c) cancel the Total Commitments at which time they shall immediately be cancelled;
- (d) declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable;
- (e) declare that all or part of the Loan be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders; and/or
- (f) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents.

22.16 **Clean-Up Period**

Notwithstanding any other provision of any Finance Document, after the Closing Date but prior to the Clean-up Date, any Clean-up Default shall only constitute an Event of Default if it is continuing after the Clean-up Date.

SECTION 9 CHANGES TO PARTIES

23. **CHANGES TO THE LENDERS**

23.1 **Assignments and transfers by the Lenders**

Subject to this Clause 23 and to Clause 24 (*Restriction on Debt Purchase Transactions*), a Lender (the "**Existing Lender**") may:

- (f) assign any of its rights; or
- (g) transfer by novation any of its rights and obligations,

under any Finance Document to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the "**New Lender**").

23.2 **Conditions of assignment or transfer**

- (g) Prior to the Changeover Date, an Existing Lender must obtain the prior written consent of the Borrower (such consent not to be unreasonably withheld or delayed, provided that the Borrower shall be deemed to have given its consent 5 Business Days after the Borrower is given notice of the request unless it is expressly refused by the Borrower within that period) before it may make an assignment or transfer or sub-participate (save in the case of a sub-participation where there is no transfer of any Lender's voting rights under this Agreement or any other agreement or arrangement to vote in accordance with the instructions of the sub-participant or any other third party) or sub contract in accordance with Clause 23.1 (*Assignments and transfers by the Lenders*) unless the assignment, sub participation or sub contract or transfer is:

- (i) to another Lender or an Affiliate of a Lender;
- (ii) if the Existing Lender is a fund, to a fund which is a Related Fund of the Existing Lender; or
- (iii) made at a time when an Event of Default is continuing.

For the avoidance of doubt, no such consent shall be required after the Changeover Date.

- (h) Unless:
 - (i) the Borrower and the relevant Existing Lender otherwise agree; or
 - (ii) such transfer or assignment is made by an Existing Lender to an Affiliate or Related Fund,

a transfer or assignment of part of an Existing Lender's commitment under this Agreement must be in a minimum amount of EUR 1,000,000 or (if less) an amount such that the Commitments of the Existing Lender are reduced to zero.

- (i) For the purposes of paragraph (a) above in the case of concurrent assignments, releases and accessions by an Existing Lender to two or

more Related Funds or Affiliates, the participations in respect of the Commitments and the Loan of these Related Funds and Affiliates shall be aggregated.

- (j) Any assignment or transfer shall assign or transfer a *pro rata* amount of the drawn and undrawn Commitments of the Existing Lender under the Facility.
- (k) An assignment will only be effective on:
 - (i) receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties and the other Secured Parties as it would have been under if it was an Original Lender;
 - (ii) the New Lender entering into the documentation required for it to accede as a party to the Intercreditor Agreement; and
 - (iii) the performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.
- (l) A transfer will only be effective if the New Lender enters into the documentation required for it to accede as a party to the Intercreditor Agreement and if the procedure set out in Clause 23.6 (*Procedure for transfer*) is complied with.
- (m) If:
 - (iii) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
 - (iv) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 14 (*Tax gross up and indemnities*) or Clause 15 (*Increased costs*) or is obliged to pay any notarial costs or the costs of any Perfection Requirements or any other costs or expenses of such assignment or transfer or change which would not have been payable to the Existing Lender,then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under the relevant Clause to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred.
- (n) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.

23.3 Assignments by Lenders

Upon an assignment becoming effective, the Existing Lender will be released from its obligations under the Finance Documents to the extent they are assumed by the New Lender.

23.4 Assignment or transfer fee

Unless the Agent otherwise agrees and excluding an assignment or transfer (i) to an Affiliate of a Lender or (ii) to a Related Fund, the New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of EUR 3,500 (which for the avoidance of doubt may only be waived at the Agent's sole discretion).

23.5 Limitation of responsibility of Existing Lenders

- (c) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
 - (i) the legality, validity, effectiveness, adequacy or enforceability of the Transaction Documents, the Transaction Security or any other documents;
 - (ii) the financial condition of any Obligor or the Parent Guarantor;
 - (iii) the performance and observance by any Obligor or the Parent Guarantor or any other member of the Group of its obligations under the Transaction Documents or any other documents; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Transaction Document or any other document,and any representations or warranties implied by law are excluded.
- (d) Each New Lender confirms to the Existing Lender, the other Finance Parties and the Secured Parties that it:
 - (iv) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of the Parent Guarantor, each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender or any other Finance Party in connection with any Transaction Document or the Transaction Security; and
 - (v) will continue to make its own independent appraisal of the creditworthiness of the Parent Guarantor, each Obligor and its related

entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.

- (e) Nothing in any Finance Document obliges an Existing Lender to:
 - (iii) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 23; or
 - (iv) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by the Parent Guarantor or any Obligor of its obligations under the Transaction Documents or otherwise.

23.6 Procedure for transfer

- (d) Subject to the conditions set out in Clause 23.2 (*Conditions of assignment or transfer*), a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.
- (e) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.
- (f) Subject to Clause 23.10 (*Pro rata interest settlement*), on the Transfer Date:
 - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents and in respect of the Transaction Security each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and in respect of the Transaction Security and their respective rights against one another under the Finance Documents and in respect of the Transaction Security shall be cancelled (being the "**Discharged Rights and Obligations**");
 - (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor or other member of the Group and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;
 - (iii) the Agent, the Arrangers, the Security Agent, the New Lender and the other Lenders shall acquire the same rights and assume the same obligations between themselves and in respect of the Transaction Security as they would have acquired and assumed had the New Lender been an Original Lender with the rights, benefits and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Arrangers, the Security Agent, the other Lenders and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
 - (iv) the New Lender shall become a Party as a "Lender".

23.7 Procedure for assignment

- (c) Subject to the conditions set out in Clause 23.2 (*Conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender together with a processing and recordation fee. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.
- (d) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.
- (e) Subject to Clause 23.10 (*Pro rata interest settlement*), on the Transfer Date:
 - (v) the Existing Lender will assign absolutely to the New Lender its rights under the Finance Documents and in respect of the Transaction Security expressed to be the subject of the assignment in the Assignment Agreement;
 - (vi) the Existing Lender will be released from the obligations (the "**Relevant Obligations**") expressed to be the subject of the release in the Assignment Agreement (and any corresponding obligations by which it is bound in respect of the Transaction Security); and
 - (vii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.
- (f) Lenders may utilise procedures other than those set out in this Clause 23.7 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 23.6 (*Procedure for transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in Clause 23.2 (*Conditions of assignment or transfer*).

23.8 Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Borrower and the Parent Guarantor

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, an Assignment Agreement or an Increase Confirmation, send to the Borrower and the Parent Guarantor a copy of that Transfer Certificate, Assignment Agreement or Increase Confirmation.

23.9 Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 23, each Lender may without consulting with or obtaining consent from the Borrower, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (d) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and
- (e) in the case of any Lender which is a fund, any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

- (iv) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or other Security for the Lender as a party to any of the Finance Documents; or
- (v) require any payments to be made by the Borrower or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Finance Documents.

23.10 Pro rata interest settlement

If the Agent has notified the Lenders that it is able to distribute interest payments on a "**pro rata basis**" to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 23.6 (*Procedure for transfer*) or any assignment pursuant to Clause 23.7 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):

- (a) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date ("**Accrued Amounts**") and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six Months, on the next of the dates which falls at six Monthly intervals after the first day of that Interest Period); and
- (b) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts so that, for the avoidance of doubt:
 - (viii) when the Accrued Amounts become payable, those Accrued Amounts will be payable for the account of the Existing Lender; and
 - (ix) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 23.10, have been payable to it on that date, but after deduction of the Accrued Amounts.
- (c) In this Clause 23.10 references to "Interest Period" shall be construed to include a reference to any other period for accrual of fees.

24. RESTRICTION ON DEBT PURCHASE TRANSACTIONS

24.1 Prohibition on Debt Purchase Transactions by the Group

The Borrower shall not, and shall procure that each other member of the Group shall not, enter into any Debt Purchase Transaction or beneficially own all or any part of the share capital of a company that is a Lender or a party to a Debt Purchase Transaction of the type referred to in paragraphs (b) or (c) of the definition of Debt Purchase Transaction.

24.2 Disenfranchisement on Debt Purchase Transactions entered into by Sponsor Affiliates

- (f) For so long as a Sponsor Affiliate:
 - (vi) beneficially owns a Commitment; or
 - (vii) has entered into a sub-participation agreement relating to a Commitment or other agreement or arrangement having a substantially similar economic effect and such agreement or arrangement has not been terminated,in ascertaining:
 - (A) the Majority Lenders; or
 - (B) whether:
 - (1) any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments; or
 - (2) the agreement of any specified group of Lenders,has been obtained to approve any request for a consent, waiver, amendment or other vote under the Finance Documents such Commitment shall be deemed to be zero; and such Sponsor Affiliate or the person with whom it has entered into such sub-participation, other agreement or arrangement shall be deemed not to be a Lender for the purposes of paragraphs (A) and (B) above (unless in the case of a person not being a Sponsor Affiliate it is a Lender by virtue otherwise than by beneficially owning the relevant Commitment).
- (g) Each Lender shall, unless such Debt Purchase Transaction is an assignment or transfer, promptly notify the Agent in writing if it knowingly enters into a Debt Purchase Transaction with a Sponsor Affiliate (a "**Notifiable Debt Purchase Transaction**"), such notification to be substantially in the form set out in Part I of Schedule 8 (*Form of Notifiable Debt Purchase Transaction Notice*).
- (h) A Lender shall promptly notify the Agent if a Notifiable Debt Purchase Transaction to which it is a party:

- (i) is terminated; or
- (ii) ceases to be with a Sponsor Affiliate,

such notification to be substantially in the form set out in Part II of Schedule 8 (*Form of Notifiable Debt Purchase Transaction Notice*).

- (i) Each Sponsor Affiliate that is a Lender agrees that:
 - (x) in relation to any meeting or conference call to which all the Lenders are invited to attend or participate, it shall not attend or participate in the same if so requested by the Agent or, unless the Agent otherwise agrees, be entitled to receive the agenda or any minutes of the same; and
 - (xi) in its capacity as Lender, unless the Agent otherwise agrees, it shall not be entitled to receive any report or other document prepared at the behest of, or on the instructions of, the Agent or one or more of the Lenders.

24.3 **Sponsor Affiliates' notification to other Lenders of Debt Purchase Transactions**

Any Sponsor Affiliate which is or becomes a Lender and which enters into a Debt Purchase Transaction as a purchaser or a participant shall, by 5.00 pm on the Business Day following the day on which it entered into that Debt Purchase Transaction, notify the Agent of the extent of the Commitments(s) or amount outstanding to which that Debt Purchase Transaction relates. The Agent shall promptly disclose such information to the Lenders.

25. **CHANGES TO THE OBLIGORS**

25.1 **Assignment and transfers by Obligors**

The Borrower shall not, and the Borrower shall procure that each Obligor, each member of the Group and the Parent Guarantor shall not, assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

SECTION 10 THE FINANCE PARTIES

26. **ROLE OF THE AGENT, THE ARRANGER AND OTHERS**

26.1 **Appointment of the Agent**

- (h) Each of the Arranger and the Lenders appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (i) Each of the Arranger and the Lenders authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

26.2 **Instructions**

- (f) The Agent shall:
 - (iii) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by:
 - (A) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision; and
 - (B) in all other cases, the Majority Lenders; and
 - (iv) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above.
- (g) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion and the Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.
- (h) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties save for the Security Agent.
- (i) The Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions.
- (j) In the absence of instructions, the Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.
- (k) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document. This paragraph (f) shall not apply to any legal or arbitration proceeding relating to the perfection, preservation or protection of rights under the Transaction Security Documents or enforcement of the Transaction Security or Transaction Security Documents.

26.3 Duties of the Agent

- (g) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (h) Subject to paragraph (c) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (i) Without prejudice to Clause 23.8 (*Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Borrower*), paragraph (b) above shall not apply to any Transfer Certificate, any Assignment Agreement or any Increase Confirmation.
- (j) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (k) If the Agent receives notice in writing from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (l) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent, the Arranger or the Security Agent) under this Agreement it shall promptly notify the other Finance Parties.
- (m) The Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).
- (n) The Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at one of its offices in the United States, a copy of each Transfer Certificate and Assignment Agreement delivered to it and a register for the recordation of the names and addresses of the Lenders, and the commitments of, and principal amount (and stated interest) of the loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Agent and the Lenders shall treat each person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice, provided that in respect of any Lender such inspection rights shall be restricted to information relating to such Lender and its Affiliates and Related Funds.

26.4 Role of the Arranger

Except as specifically provided in the Finance Documents, the Arranger has no obligations of any kind to any other Party under or in connection with any Finance Document.

26.5 No fiduciary duties

- (a) Nothing in any Finance Document constitutes the Agent or the Arranger as a trustee or fiduciary of any other person.
- (b) None of the Agent or the Arranger shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

26.6 Business with the Group

The Agent and the Arranger may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

26.7 Rights and discretions

- (d) The Agent may:
 - (vi) rely on any representation, communication, notice or document (including, without limitation, any notice given by a Lender pursuant to paragraphs (b) or (c) of Clause 24.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Sponsor Affiliates*)) believed by it to be genuine, correct and appropriately authorised;
 - (vii) assume that:
 - (A) any instructions received by it from the Majority Lenders, any Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents; and
 - (B) unless it has received notice of revocation, that those instructions have not been revoked; and
 - (viii) rely on a certificate from any person:
 - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
 - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.
- (e) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
 - (v) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 22.2 (*Non-payment*));

- (vi) any right, power, authority or discretion vested in any Party or any group of Lenders has not been exercised;
- (vii) any notice or request made by the Borrower (other than the Utilisation Request or a Selection Notice) is made on behalf of and with the consent and knowledge of all the Obligor; and
- (viii) no Notifiable Debt Purchase Transaction:
 - (A) has been entered into;
 - (B) has been terminated; or
 - (C) has ceased to be with a Sponsor Affiliate.
- (f) The Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.
- (g) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be desirable.
- (h) The Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
- (i) The Agent may act in relation to the Finance Documents through its officers, employees and agents and the Agent shall not:
 - (i) be liable for any error of judgment made by any such person; or
 - (ii) be bound to supervise, or be in any way responsible for any loss incurred by reason of misconduct, omission or default on the part, of any such person,
 unless such error or such loss was directly caused by the Agent's gross negligence or wilful misconduct.
- (j) Unless a Finance Document expressly provides otherwise the Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (k) Without prejudice to the generality of paragraph (g) above, the Agent:
 - (i) may disclose; and
 - (ii) on the written request of the Borrower or the Majority Lenders shall, as soon as reasonably practicable, disclose,
 the identity of a Defaulting Lender to the Borrower and to the other Finance Parties.
- (l) Notwithstanding any other provision of any Finance Document to the contrary, none of the Agent or the Arranger is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (m) The Agent is not obliged to disclose to any Finance Party any details of the rate notified to the Agent by any Lender or the identity of any such Lender for the purpose of paragraph (a)(ii) of Clause 12.2 (*Market Disruption*).
- (n) Notwithstanding any provision of any Finance Document to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

26.8 Responsibility for documentation

None of the Agent or the Arranger is responsible or liable for:

- (f) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Agent, the Arranger, an Obligor or any other person in or in connection with any Finance Document or the Information Memorandum or the Reports or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (g) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security; or
- (h) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

26.9 No duty to monitor

The Agent shall not be bound to enquire:

- (f) whether or not any Default has occurred;
- (g) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or
- (h) whether any other event specified in any Finance Document has occurred.

26.10 Exclusion of liability

- (c) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent, the Agent will not be liable (including, without limitation, for negligence or any other category of liability whatsoever) for:
 - (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document or the Transaction Security, unless directly caused by its gross negligence or wilful misconduct;
 - (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document, the Transaction Security or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document or the Transaction Security; or
 - (iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of:
 - (A) any act, event or circumstance not reasonably within its control; or
 - (B) the general risks of investment in, or the holding of assets in, any jurisdiction,
 including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.
- (d) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent, in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document or any Transaction Document and any officer, employee or agent of the Agent may rely on this Clause 26.10 subject to Clause 1.3 (*Third party rights*) and the provisions of the Third Parties Act.
- (e) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (f) Nothing in this Agreement shall oblige the Agent or the Arranger to carry out:
 - (iii) any "know your customer" or other checks in relation to any person; or
 - (iv) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender,
 on behalf of any Lender and each Lender confirms to the Agent and the Arranger that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent or the Arranger.
- (g) Without prejudice to any provision of any Finance Document excluding or limiting the Agent's liability, any liability of the Agent arising under or in connection with any Finance Document or the Transaction Security shall be limited to the amount of actual loss which has been finally judicially determined to have been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.

26.11 Lenders' indemnity to the Agent

- (g) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 29.11 (*Disruption to Payment Systems etc.*), notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).
- (h) Subject to paragraph (c) below, the Borrower shall immediately on demand reimburse any Lender for any payment that Lender makes to the Agent pursuant to paragraph (a) above.
- (i) Paragraph (b) above shall not apply to the extent that the indemnity payment in respect of which the Lender claims reimbursement relates to a liability of the Agent to an Obligor.

26.12 Resignation of the Agent

- (c) The Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom as successor by giving notice to the Lenders and the Borrower.
- (d) Alternatively the Agent may resign by giving 30 days' notice to the Lenders and the Borrower, in which case the Majority Lenders (after consultation with the Borrower) may appoint a successor Agent.
- (e) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Agent (after consultation with the Borrower) may appoint a successor Agent (acting through an office in the United Kingdom).
- (f) If the Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Agent is entitled to appoint a successor Agent under paragraph (c) above, the Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent to become a party to this Agreement as Agent) agree with the proposed successor Agent amendments to this Clause 26.12 and any other term of this Agreement dealing with the rights or obligations of the Agent consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Agent's normal fee rates and those amendments will bind the Parties.
- (g) The retiring Agent shall, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents. The Borrower shall, within three Business Days of demand, reimburse the retiring Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.
- (h) The Agent's resignation notice shall only take effect upon the appointment of a successor.
- (i) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (e) above) but shall remain entitled to the benefit of Clause 16.3 (*Indemnity to the Agent*) and this Clause 26 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (j) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:
 - (i) the Agent fails to respond to a request under Clause 14.7 (*FATCA Information*) and a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 - (ii) the information supplied by the Agent pursuant to Clause 14.7 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
 - (iii) the Agent notifies the Borrower and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 and (in each case) a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and that Lender, by notice to the Agent, requires it to resign.

26.13 Replacement of the Agent

- (e) After consultation with the Borrower, the Majority Lenders may, by giving 30 days' notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent (acting through an office in the United Kingdom).
- (f) The retiring Agent shall (at its own cost if it is an Impaired Agent and otherwise at the expense of the Lenders) make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (g) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) above) but shall remain entitled to the benefit of Clause 16.3 (*Indemnity to the Agent*) and this Clause 26 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).
- (h) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

26.14 Confidentiality

- (a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

26.15 Relationship with the Lenders

- (e) Subject to Clause 23.10 (*Pro rata interest settlement*), the Agent may treat the person shown in its records as Lender at the opening of

business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:

- (i) entitled to or liable for any payment due under any Finance Document on that day; and
- (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

- (f) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 31.6 (*Electronic communication*)) electronic mail address and/or any other information required to enable the sending and receipt of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address, department and officer by that Lender for the purposes of Clause 31.2 (*Addresses*) and paragraph (a)(ii) of Clause 31.6 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

26.16 Credit appraisal by the Lenders

Without affecting the responsibility of the Borrower for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to the Agent and the Arranger that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (e) the financial condition, status and nature of each member of the Group;
- (f) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document, the Transaction Security and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;
- (g) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the Transaction Security, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document or the Transaction Security;
- (h) the adequacy, accuracy or completeness of the Information Memorandum, the Reports and any other information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (i) the right or title of any person in or to, or the value or sufficiency of any part of the Charged Property, the priority of any of the Transaction Security or the existence of any Security affecting the Charged Property.

26.17 Reference Banks

If a Reference Bank (or, if a Reference Bank is not a Lender, the Lender of which it is an Affiliate) ceases to be a Lender, the Agent shall (in consultation with the Borrower) appoint another Lender or an Affiliate of a Lender to replace that Reference Bank.

26.18 Deduction from amounts payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

26.19 Reliance and engagement letters

Each Finance Party and Secured Party confirms that each of the Arranger and the Agent has authority to accept on its behalf (and ratifies the acceptance on its behalf of any letters or reports already accepted by the Arranger or Agent) the terms of any reliance letter or engagement letters relating to the Reports or any reports or letters provided by accountants in connection with the Finance Documents or the transactions contemplated in the Finance Documents and to bind it in respect of those Reports, reports or letters and to sign such letters on its behalf and further confirms that it accepts the terms and qualifications set out in such letters.

27. CONDUCT OF BUSINESS BY THE FINANCE PARTIES

No provision of this Agreement will:

- (l) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (m) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (n) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

28. SHARING AMONG THE FINANCE PARTIES

28.1 Payments to Finance Parties

If a Finance Party (a "**Recovering Finance Party**") receives or recovers any amount from an Obligor or the Parent Guarantor other than in accordance with Clause 29 (*Payment mechanics*) (a "**Recovered Amount**") and applies that amount to a payment due under the Finance Documents then:

- (o) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery, to the Agent;
- (p) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 29 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
- (q) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the "**Sharing Payment**") equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 29.6 (*Partial payments*).

28.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor or the Parent Guarantor as appropriate and distribute it between the Finance Parties (other than the Recovering Finance Party) (the "**Sharing Finance Parties**") in accordance with Clause 29.6 (*Partial payments*) towards the obligations of that Obligor or the Parent Guarantor as appropriate to the Sharing Finance Parties.

28.3 Recovering Finance Party's rights

On a distribution by the Agent under Clause 28.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from an Obligor or the Parent Guarantor, as between the relevant Obligor or the Parent Guarantor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor or the Parent Guarantor.

28.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (f) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the "**Redistributed Amount**"); and
- (g) as between the relevant Obligor or the Parent Guarantor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor or the Parent Guarantor (as applicable).

28.5 Exceptions

- (o) This Clause 28 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor or the Parent Guarantor.
- (p) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
 - (i) it notified the other Finance Party of the legal or arbitration proceedings; and
 - (ii) the other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

SECTION 11 ADMINISTRATION

29. PAYMENT MECHANICS

29.1 Payments to the Agent

- (a) On each date on which an Obligor, the Parent Guarantor or a Lender is required to make a payment under a Finance Document, that Obligor, the Parent Guarantor or that Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency (or, in relation to euro, in a principal financial centre in such Participating Member State or London, as specified by the Agent) and with such bank as the Agent, in each case, specifies.

29.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 29.3 (*Distributions to an Obligor*) and Clause 29.4 (*Clawback and pre-funding*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment

in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency (or, in relation to euro, in the principal financial centre of a Participating Member State or London, as specified by that Party).

29.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or the Parent Guarantor or in accordance with Clause 30 (*Set-Off*)) apply any amount received by it for that Obligor or the Parent Guarantor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor or the Parent Guarantor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

29.4 Clawback and pre-funding

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) Unless paragraph (c) below applies, if the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.
- (c) If the Agent has notified the Lenders that it is willing to make available amounts for the account of a Borrower before receiving funds from the Lenders then if and to the extent that the Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to a Borrower:
 - (i) the Agent shall notify the Borrower of that Lender's identity and the Borrower to whom that sum was made available shall on demand refund it to the Agent; and
 - (ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Borrower to whom that sum was made available, shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

29.5 Impaired Agent

- (a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 29.1 (*Payments to the Agent*) may instead either:
 - (i) pay that amount direct to the required recipient(s); or
 - (ii) if in its absolute discretion it considers that it is not reasonably practicable to pay that amount direct to the required recipient(s), pay that amount or the relevant part of that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of "Acceptable Bank" and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment (the "**Paying Party**") and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the "**Recipient Party**" or "**Recipient Parties**").

In each case such payments must be made on the due date for payment under the Finance Documents.

- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the Recipient Party or the Recipient Parties *pro rata* to their respective entitlements.
- (c) A Party which has made a payment in accordance with this Clause 29.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) Promptly upon the appointment of a successor Agent in accordance with Clause 26.13 (*Replacement of the Agent*), each Paying Party shall (other than to the extent that that Party has given an instruction pursuant to paragraph (e) below) give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution to the relevant Recipient Party or Recipient Parties in accordance with Clause 29.2 (*Distributions by the Agent*).
- (e) A Paying Party shall, promptly upon request by a Recipient Party and to the extent:
 - (i) that it has not given an instruction pursuant to paragraph (d) above; and
 - (ii) that it has been provided with the necessary information by that Recipient Party,

give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

29.6 Partial payments

- (a) If the Agent receives a payment for application against amounts due in respect of any Finance Documents that is insufficient to discharge all the amounts then due and payable by an Obligor or the Parent Guarantor as applicable under those Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor or the Parent Guarantor under the Finance Documents in the following order:
 - (i) **first**, in or towards payment *pro rata* of any unpaid amount owing to the Agent or the Security Agent under the Finance Documents;

- (ii) **secondly**, in or towards payment *pro rata* of any accrued interest, fee or commission due but unpaid under those Finance Documents;
 - (iii) **thirdly**, in or towards payment *pro rata* of any principal due but unpaid under those Finance Documents; and
 - (iv) **fourthly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.
- (b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (iv) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

29.7 **Set-off by Obligors**

All payments to be made by an Obligor or the Parent Guarantor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

29.8 **Business Days**

- (a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

29.9 **Currency of account**

- (a) Subject to paragraphs (b) to (e) below, the Base Currency is the currency of account and payment for any sum due from an Obligor or the Parent Guarantor under any Finance Document.
- (b) A repayment of the Loan or Unpaid Sum or a part of the Loan or Unpaid Sum shall be made in the currency in which the Loan or Unpaid Sum is denominated, pursuant to this Agreement, on its due date.
- (c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated, pursuant to this Agreement, when that interest accrued.
- (d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (e) Any amount expressed to be payable in a currency other than the Base Currency shall be paid in that other currency.

29.10 **Change of currency**

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
 - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Borrower); and
 - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Interbank Market and otherwise to reflect the change in currency.

29.11 **Disruption to Payment Systems etc.**

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Borrower that a Disruption Event has occurred:

- (a) the Agent may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;
- (b) the Agent shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Agent and the Borrower shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 35 (*Amendments and Waivers*);
- (e) the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 29.11; and

(f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

30. **SET-OFF**

While an Event of Default is continuing, a Finance Party may set off any matured obligation due from an Obligor or the Parent Guarantor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor or the Parent Guarantor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

31. **NOTICES**

31.1 **Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

31.2 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Borrower, that identified with its name below;
- (b) in the case of each Lender, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and
- (c) in the case of the Agent or the Security Agent, that identified with its name below,

or any substitute address, fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.

31.3 **Delivery**

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective:
 - (i) if by way of fax, when received in legible form; or
 - (ii) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,and, if a particular department or officer is specified as part of its address details provided under Clause 31.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Agent or the Security Agent will be effective only when actually received by the Agent or Security Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's or Security Agent's signature below (or any substitute department or officer as the Agent or Security Agent shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Agent.
- (d) Any communication or document made or delivered to the Borrower in accordance with this Clause 31.3 will be deemed to have been made or delivered to each of the Obligors.
- (e) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

31.4 **Notification of address and fax number**

Promptly upon changing its own address or fax number, the Agent shall notify the other Parties.

31.5 **Communication when Agent is Impaired Agent**

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

31.6 **Electronic communication**

- (a) Any communication to be made between any two Parties under or in connection with the Finance Documents may be made by electronic mail or other electronic means to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication and if those two Parties:
 - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

(ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

(b) Any electronic communication made between those two Parties will be effective only when actually received in readable form and in the case of any electronic communication made by a Party to the Agent or the Security Agent only if it is addressed in such a manner as the Agent or Security Agent shall specify for this purpose.

(c) Any electronic communication which becomes effective, in accordance with paragraph (b) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

31.7 Public Information

(k) The Borrower hereby acknowledges that certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Borrower, the Group and/or its business) (each, a "**Public Lender**").

(l) The Borrower hereby agrees that if and for so long as any member of the Group is the issuer of any outstanding debt or equity securities that are registered or issued pursuant to a private offering or is actively contemplating issuing any such securities it will use commercially reasonable efforts to identify that portion of any materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "**Borrower Materials**") that may be distributed to the Public Lenders and that:

(i) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof;

(ii) by marking Borrower Materials "PUBLIC", the Borrower shall be deemed to have authorised the Agent and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Borrower, the Group and/or its business for purposes of United States federal and state securities laws;

(iii) all Borrower Materials marked "PUBLIC" shall be made available on the Designated Website (as defined in Clause 31.8 (*Use of websites*) below) under the title "PUBLIC"; and

(iv) the Agent shall be entitled to post any Borrower Materials that are not marked "PUBLIC" on to the Designated Website specifying in the title of such document that such information is private.

31.8 Use of websites

(a) The Borrower may satisfy its obligation under this Agreement to deliver any information in relation to those Lenders (the "**Website Lenders**") who accept this method of communication by posting this information onto an electronic website designated by the Borrower and the Agent (the "**Designated Website**") if:

(i) the Agent expressly agrees (after consultation with each of the Lenders) that it will accept communication of the information by this method;

(ii) both the Borrower and the Agent are aware of the address of and any relevant password specifications for the Designated Website; and

(iii) the information is in a format previously agreed between the Borrower and the Agent.

If any Lender (a "**Paper Form Lender**") does not agree to the delivery of information electronically then the Agent shall notify the Borrower accordingly and the Borrower shall at its own cost supply the information to the Agent (in sufficient copies for each Paper Form Lender) in paper form. In any event the Borrower shall at its own cost supply the Agent with at least one copy in paper form of any information required to be provided by it.

(b) The Agent shall supply each Website Lender with the address of and any relevant password specifications for the Designated Website following designation of that website by the Borrower and the Agent.

(c) The Borrower shall promptly upon becoming aware of its occurrence notify the Agent if:

(i) the Designated Website cannot be accessed due to technical failure;

(ii) the password specifications for the Designated Website change;

(iii) any new information which is required to be provided under this Agreement is posted onto the Designated Website;

(iv) any existing information which has been provided under this Agreement and posted onto the Designated Website is amended; or

(v) the Borrower becomes aware that the Designated Website or any information posted onto the Designated Website is or has been infected by any electronic virus or similar software.

If the Borrower notifies the Agent under paragraph (c)(i) or paragraph (c)(v) above, all information to be provided by the Borrower under this Agreement after the date of that notice shall be supplied in paper form unless and until the Agent and each Website Lender is satisfied that the circumstances giving rise to the notification are no longer continuing.

(d) Any Website Lender may request, through the Agent, one paper copy of any information required to be provided under this Agreement which is posted onto the Designated Website. The Borrower shall at its own cost comply with any such request within ten Business Days.

31.9 **English language**

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

32. **CALCULATIONS AND CERTIFICATES**

32.1 **Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

32.2 **Certificates and determinations**

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

32.3 **Day count convention**

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Interbank Market differs, in accordance with that market practice.

33. **PARTIAL INVALIDITY**

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

34. **REMEDIES AND WAIVERS**

No failure to exercise, nor any delay in exercising, on the part of any Finance Party or Secured Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any Finance Document. No election to affirm any Finance Document on the part of any Finance Party or Secured Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

35. **AMENDMENTS AND WAIVERS**

35.1 **Intercreditor Agreement**

This Clause 35 is subject to the terms of the Intercreditor Agreement.

35.2 **Required consents**

- (a) Subject to Clause 35.3 (*All Lender matters*) and Clause 35.4 (*Other exceptions*), any term of the Finance Documents (other than the Fee Letters) may be amended or waived only with the consent of the Majority Lenders and the Borrower and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 35.
- (c) Without prejudice to the generality of paragraphs (c), (d) and (e) of Clause 26.7 (*Rights and discretions*), the Agent may engage, pay for and rely on the services of lawyers in determining the consent level required for and effecting any amendment, waiver or consent under this Agreement.
- (d) Each Obligor agrees to any such amendment or waiver permitted by this Clause 35 which is agreed to by the Borrower. This includes any amendment or waiver which would, but for this paragraph (d), require the consent of the Parent Guarantor.

35.3 **All Lender matters**

An amendment, waiver or (in the case of a Transaction Security Document) a consent of, or in relation to, any term of any Finance Document that has the effect of changing or which relates to:

- (a) the definition of "**Majority Lenders**" in Clause 1.1(*Definitions*);
- (b) an extension of the date of the "**Initial Maturity Date**" in Clause 1.1(*Definitions*);
- (c) an extension to the date of payment of any amount under the Finance Documents;
- (d) a reduction in the Margin, the Interest Rate Cap or any Applicable Premium payable in respect of the redemption of all or any part of the

Bridge Term Loan or Exchange Notes or a reduction in the amount of any payment of principal, interest, fees or commission payable;

- (e) a change in currency of payment of any amount under the Finance Documents;
- (f) an increase in any Commitment or the Total Commitments, an extension of any Availability Period or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the Facility;
- (g) a change to the Borrower or the Parent Guarantor;
- (h) any provision which expressly requires the consent of all the Lenders;
- (i) Clause 2.3 (*Finance Parties' rights and obligations*), Clause 8 (*Mandatory prepayment and cancellation*), Clause 8.4 (*Application of mandatory prepayments and cancellations*), Clause 23 (*Changes to the Lenders*), Clause 28 (*Sharing among the Finance Parties*), this Clause 35, Clause 39 (*Governing law*) or Clause 40.1 (*Jurisdiction of English courts*);
- (j) (other than as expressly permitted by the provisions of any Finance Document) the nature or scope of:
 - (i) the guarantee and indemnity granted under the UGI Guarantee;
 - (ii) the Charged Property; or
 - (iii) the manner in which the proceeds of enforcement of the Transaction Security are distributed;
- (k) the release of any guarantee and indemnity granted under the UGI Guarantee or of any Transaction Security unless:
 - (v) the release is to become effective on or following repayment in full of the Facility; or
 - (vi) the release is otherwise contemplated under this Agreement and/or made in accordance with another provision of the Finance Documents; or
- (l) any amendment to the order of priority or subordination under the Intercreditor Agreement,

shall not be made, or given, without the prior consent of all the Lenders.

35.4 Other exceptions

An amendment or waiver which relates to the rights or obligations of the Agent, the Arranger or the Security Agent may not be effected without the consent of the Agent, the Arranger or, as the case may be, the Security Agent.

35.5 Excluded Commitments

If:

- (a) any Defaulting Lender fails to respond to a request for a consent, waiver, amendment of or in relation to any term of any Finance Document or any other vote of Lenders under the terms of this Agreement within 15 Business Days of that request being made; or
- (b) any Lender which is not a Defaulting Lender fails to respond to such a request or such a vote within 15 Business Days of that request being made,

(unless, in either case, the Borrower and the Agent agree to a longer time period in relation to any request):

- (i) its Commitment(s) shall not be included for the purpose of calculating the Total Commitments under the Facility when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments has been obtained to approve that request; and
- (ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

35.6 Replacement of Lender

(a) If:

- (i) any Lender becomes a Non-Consenting Lender (as defined in paragraph (d) below); or
- (ii) an Obligor becomes obliged to repay any amount in accordance with Clause 7.1 (*Illegality*) or to pay additional amounts pursuant to Clause 15 (*Increased costs*), Clause 14.2 (*Tax gross-up*) or Clause 14.3 (*Tax Indemnity*) to any Lender,

then the Borrower may, on 10 Business Days' prior written notice to the Agent and such Lender, replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 23 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity (a "**Replacement Lender**") selected by the Borrower, which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 23 (*Changes to the Lenders*) for a purchase price in cash payable at the time of transfer in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Loan and all accrued interest (to the extent that the Agent has not given a notification under Clause 23.10 (*Pro rata interest settlement*)), Break Costs and other amounts payable in relation thereto under the Finance Documents.

- (b) The replacement of a Lender pursuant to this Clause 35.6 shall be subject to the following conditions:
 - (i) the Borrower shall have no right to replace the Agent or Security Agent;
 - (ii) neither the Agent nor the Lender shall have any obligation to the Borrower to find a Replacement Lender;
 - (iii) in the event of a replacement of a Non-Consenting Lender such replacement must take place no later than 60 days after the date on which that Lender is deemed a Non-Consenting Lender;
 - (iv) in no event shall the Lender replaced under Clause 35.6 be required to pay or surrender to such Replacement Lender any of the fees received by such Lender pursuant to the Finance Documents; and
 - (v) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer.
- (c) A Lender shall perform the checks described in paragraph (b)(v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Borrower when it is satisfied that it has complied with those checks.
- (d) In the event that:
 - (i) the Borrower or the Agent (at the request of the Borrower) has requested the Lenders to give a consent in relation to, or to agree to a waiver or amendment of, any provisions of the Finance Documents;
 - (ii) the consent, waiver or amendment in question requires the approval of all the Lenders; and
 - (iii) Lenders whose Commitments aggregate in the case of a consent, waiver or amendment requiring the approval of all the Lenders, more than 85 per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than 85 per cent. of the Total Commitments prior to that reduction) have consented or agreed to such waiver or amendment,

then any Lender who does not and continues not to consent or agree to such waiver or amendment shall be deemed a **"Non-Consenting Lender"**.

35.7 Disenfranchisement of Defaulting Lenders

- (a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining:
 - (i) the Majority Lenders; or
 - (ii) whether any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments,

has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents, that Defaulting Lender's Commitments under the Facility will be reduced by the amount of its Available Commitments under the Facility and, to the extent that that reduction results in that Defaulting Lender's Total Commitments being zero, that Defaulting Lender shall be deemed not to be a Lender for the purposes of paragraphs (i) and (ii) above.
- (b) For the purposes of this Clause 35.7, the Agent may assume that the following Lenders are Defaulting Lenders:
 - (i) any Lender which has notified the Agent that it has become a Defaulting Lender;
 - (ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a), (b), (c) or (d) of the definition of "Defaulting Lender" has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

35.8 Replacement of a Defaulting Lender

- (a) The Borrower may, at any time a Lender has become and continues to be a Defaulting Lender, by giving 10 Business Days' prior written notice to the Agent and such Lender replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 23 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity (a **"Replacement Lender"**) selected by the Borrower, which confirms its willingness to assume and does assume all the obligations, or all the relevant obligations, of the transferring Lender in accordance with Clause 23 (*Changes to the Lenders*) for a purchase price in cash payable at the time of transfer which is either:
 - (i) in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Loan and all accrued interest (to the extent that the Agent has not given a notification under Clause 23.10 (*Pro rata interest settlement*)), Break Costs and other amounts payable in relation thereto under the Finance Documents; or
 - (ii) in an amount agreed between that Defaulting Lender, the Replacement Lender and the Borrower and which does not exceed the amount described in paragraph (i) above.
- (b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause 35.8 shall be subject to the following conditions:
 - (i) the Borrower shall have no right to replace the Agent or Security Agent;

- (ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Borrower to find a Replacement Lender;
 - (iii) the transfer must take place no later than 60 days after the notice referred to in paragraph (a) above;
 - (iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents; and
 - (v) the Defaulting Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer to the Replacement Lender.
- (c) The Defaulting Lender shall perform the checks described in paragraph (b)(v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Borrower when it is satisfied that it has complied with those checks.

36. CONFIDENTIALITY

36.1 Confidential Information

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 36.2 (*Disclosure of Confidential Information*) and Clause 36.3 (*Disclosure to numbering service providers*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

36.2 Disclosure of Confidential Information

Any Finance Party may disclose:

- (a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) to any person:
 - (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Agent or Security Agent and, in each case, to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
 - (iii) appointed by any Finance Party or by a person to whom paragraph (b)(i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (c) of Clause 26.15 (*Relationship with the Lenders*));
 - (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (b)(ii) above;
 - (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
 - (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
 - (vii) who is a Party; or
 - (viii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 23.9 (*Security over Lenders' rights*)
 - (ix) with the consent of the Borrower,

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
- (B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential

Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;

- (C) in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances;

- (c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrower and the relevant Finance Party; and
- (d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price sensitive information.

36.3 Disclosure to numbering service providers

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Obligors the following information:
 - (i) names of Obligors;
 - (ii) country of domicile of Obligors;
 - (iii) place of incorporation of Obligors;
 - (iv) date of this Agreement;
 - (v) Clause 39 (*Governing law*);
 - (vi) the names of the Agent and the Arranger;
 - (vii) date of each amendment and restatement of this Agreement;
 - (viii) amounts of, and names of, the Facility (and any tranches);
 - (ix) amount of Total Commitments;
 - (x) currencies of the Facility;
 - (xi) type of Facility;
 - (xii) ranking of Facility;
 - (xiii) Termination Date for Facility;
 - (xiv) changes to any of the information previously supplied pursuant to paragraphs (i) to (xiii) above; and
 - (xv) such other information agreed between such Finance Party and the Borrower,to enable such numbering service provider to provide its usual syndicated loan numbering identification services.
- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
- (c) Each Obligor represents that none of the information set out in paragraphs (i) to (xv) of paragraph (a) above is, nor will at any time be, unpublished price-sensitive information.
- (d) The Agent shall notify the Borrower and the other Finance Parties of:
 - (i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facility and/or one or more Obligors; and
 - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Obligors by such numbering service provider.

36.4 Entire agreement

This Clause 36 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

36.5 **Inside information**

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

36.6 **Notification of disclosure**

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrower:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 36.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 36.

36.7 **Continuing obligations**

The obligations in this Clause 36 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve months from the earlier of:

- (a) the date on which all amounts payable by the Obligors under or in connection with the Finance Documents have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

37. **DISCLOSURE OF LENDER DETAILS BY AGENT**

37.1 **Supply of Lender details to Borrower**

The Agent shall provide to the Borrower within 10 Business Days of a request by the Borrower (but no more frequently than once per calendar month), a list (which may be in electronic form) setting out the names of the Lenders as at the date of that request, their respective Commitments, the address and fax number (and the department or officer, if any, for whose attention any communication is to be made) of each Lender for any communication to be made or document to be delivered under or in connection with the Finance Documents, the electronic mail address and/or any other information required to enable the sending and receipt of information by electronic mail or other electronic means to and by each Lender to whom any communication under or in connection with the Finance Documents may be made by that means and the account details of each Lender for any payment to be distributed by the Agent to that Lender under the Finance Documents.

37.2 **Supply of Lender details at Borrower's direction**

- (a) The Agent shall, at the request of the Borrower, disclose the identity of the Lenders and the details of the Lenders' Commitments to any:
 - (i) other Party or any other person if that disclosure is made to facilitate, in each case, a refinancing of the Financial Indebtedness arising under the Finance Documents or a material waiver or amendment of any term of any Finance Document; and
 - (ii) member of the Group.
- (b) Subject to paragraph (c) below, the Borrower shall procure that the recipient of information disclosed pursuant to paragraph (a) above shall keep such information confidential and shall not disclose it to anyone and shall ensure that all such information is protected with security measures and a degree of care that would apply to the recipient's own confidential information.
- (c) The recipient may disclose such information to any of its officers, directors, employees, professional advisers, auditors and partners as it shall consider appropriate if any such person is informed in writing of its confidential nature, except that there shall be no such requirement to so inform if that person is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by duties of confidentiality in relation to the information.

37.3 **Supply of Lender details to other Lenders**

- (a) If a Lender (a "**Disclosing Lender**") indicates to the Agent that the Agent may do so, the Agent shall disclose that Lender's name and Commitment to any other Lender that is, or becomes a Disclosing Lender.
- (b) The Agent shall, if so directed by the Requisite Lenders, request each Lender to indicate to it whether it is a Disclosing Lender.

38. **COUNTERPARTS**

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

SECTION 12
GOVERNING LAW AND ENFORCEMENT

39. **GOVERNING LAW**

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law and shall be construed and enforced in accordance with English law provided that Schedule 9 (*Restrictive Covenants and Events of Default*) shall be interpreted in accordance with the law of the State of New York without prejudice to the fact that this Agreement is governed by English law.

40. ENFORCEMENT

40.1 Jurisdiction of English courts

- (g) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a "**Dispute**").
- (h) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (i) This Clause 40.1 is for the benefit of the Finance Parties and Secured Parties only. As a result, no Finance Party or Secured Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties and Secured Parties may take concurrent proceedings in any number of jurisdictions.

40.2 Service of process

- (j) Without prejudice to any other mode of service allowed under any relevant law, the Borrowers:
 - (i) irrevocably appoints Avanti Gas Limited (registration number: 00481121) as its agent for service of process in relation to any proceedings before the English courts; and
 - (ii) agrees that failure by a process agent to notify the relevant Obligor of the process will not invalidate the proceedings concerned.
- (k) If any person appointed as process agent is unable for any reason to act as agent for service of process, the Borrower (on behalf of all the Obligors) must immediately (and in any event within five days of such event taking place) appoint another agent on terms acceptable to the Agent. Failing this, the Agent may appoint another agent for this purpose.
- (l) The Borrower expressly agrees and consents to the provisions of this Clause 40 and Clause 39 (*Governing Law*).
- (m) This Clause 40.2 does not affect any other method of service allowed by law.

40.3 Waiver of jury trial

EACH OF THE PARTIES TO THIS AGREEMENT AGREES TO WAIVE IRREVOCABLY ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OF THE DOCUMENTS REFERRED TO IN THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED IN THIS AGREEMENT. This waiver is intended to apply to all Disputes. Each party acknowledges that (a) this waiver is a material inducement to enter into this Agreement, (b) it has already relied on this waiver in entering into this Agreement and (c) it will continue to rely on this waiver in future dealings. Each party represents that it has reviewed this waiver with its legal advisers and that it knowingly and voluntarily waives its jury trial rights after consultation with its legal advisers. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

SCHEDULE 1 The Original Parties

Part I The Borrower

Name of Borrower	Registration number (or equivalent, if any), address and jurisdiction of incorporation
UGI International Enterprises, Inc.	Registration number 2750889 of 460 North Gulph Road, King of Prussia, Pennsylvania, 19406, USA and registered in Pennsylvania

Part II
The Original Lenders

Name of Original Lender	Commitment
Credit Suisse AG, London Branch	€120,000,000
Bank of America, N.A. London Branch	€120,000,000
Natixis, New York Branch	€60,000,000

SCHEDULE 2
Conditions Precedent

Part I - Conditions Precedent to signing of the Agreement

1. The Borrower and the Parent Guarantor

- (a) A copy of the constitutional documents of the Borrower and the Parent Guarantor.
- (b) A copy of a resolution of the board or, if applicable, a committee of the board of directors (or any other relevant corporate body) of the Borrower and the Parent Guarantor:
 - (i) approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party and resolving that it execute, deliver and perform the Transaction Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, the Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
- (c) If applicable, a copy of a resolution of the board of directors of the relevant company, establishing the committee referred to in paragraph (b) above.
- (d) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to the Finance Documents and related documents.
- (e) If customary in the jurisdiction of the relevant company or required by the Agent (acting reasonably), a copy of a resolution signed by all the holders of the issued shares in each of the Borrower and the Parent Guarantor, approving the terms of, and the transactions contemplated by, the Finance Documents to which the Borrower and the Parent Guarantor are a party to.
- (f) If customary in the jurisdiction of the relevant company or required by the Agent (acting reasonably), a copy of a resolution of the board of directors of each corporate shareholder of the Borrower and the Parent Guarantor approving the terms of the resolution referred to in paragraph (e) above.
- (g) A copy of a good standing certificate with respect to the Borrower and the Parent Guarantor, issued as of a recent date to the date of the Finance Document to which it is a party by the Secretary of State or other appropriate official of the Borrower's and the Parent Guarantor's jurisdiction of organisation;
- (h) A certificate of each of the Borrower and the Parent Guarantor (signed by an authorised signatory) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded.
- (i) A certificate of an authorised signatory of each of the Borrower and the Parent Guarantor certifying that each copy document relating to it specified in this Part I of Schedule 2 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the date of this Agreement.

2. Finance Documents

- (a) This Agreement executed by the Borrower.
- (b) The UGI Guarantee executed by the Parent Guarantor.

- (c) The Fee Letters executed by the Borrower, the Parent Guarantor and/or the members of the Group party to them (as applicable).

3. **Legal opinions**

- (a) A legal opinion of Shearman & Sterling (London) LLP, legal advisers to the Agent and the Arrangers as to English law substantially in the agreed form distributed to the Original Lenders prior to signing this Agreement.
- (b) A legal opinion of Morgan, Lewis & Bockius LLP, legal advisers to the Borrower and the Parent Guarantor as to Pennsylvania law substantially in the agreed form distributed by the Original Lenders prior to signing this Agreement.

4. **Other documents and evidence**

- (a) The Intercreditor Principles.
- (b) Evidence that any process agent referred to in Clause 40.2 (*Service of process*) has accepted its appointment.
- (c) Provision of all information necessary for identification of the Borrower and its respective Subsidiaries and Holding Companies in order to comply with anti-money laundering requirements and any other "know your customer" requirements of the Lenders.

Part II - Conditions Precedent to the Utilisation

1. **Obligors**

- (j) A copy of the Constitutional Documents and of the constitutional documents of each Obligor.
- (k) An original or certified copy of the certificate of incorporation (*Extrait K-bis*), solvency certificate (*certificat de non-faillite*) and encumbrance certificate (*état des privilèges et nantissements*) relating to Bidco and Target each dated no more than 15 days old.
- (l) A copy of a resolution of the board or, if applicable, a committee of the board of directors (or any other relevant corporate body) of each Obligor:
 - (i) approving the terms of, and the transactions contemplated by, the Transaction Documents to which it is a party and resolving that it execute, deliver and perform the Transaction Documents to which it is a party;
 - (ii) authorising a specified person or persons to execute the Finance Documents to which it is a party on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, the Utilisation Request) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.
- (m) If applicable, a copy of a resolution of the board of directors of the relevant company, establishing the committee referred to in paragraph (b) above.
- (n) A specimen of the signature of each person authorised by the resolution referred to in paragraph (b) above in relation to the Finance Documents and related documents.
- (o) If applicable, a copy of a resolution signed by all the holders of the issued shares in each Obligor, approving the terms of, and the transactions contemplated by, the Finance Documents to which such Obligor is a party.
- (p) If applicable, a copy of a resolution of the board of directors of each corporate shareholder of each Obligor approving the terms of the resolution referred to in paragraph (e) above.
- (q) Copies of financing statements (Form UCC-1) or appropriate local equivalent in appropriate form for filing under the Uniform Commercial Code of each applicable jurisdiction as may be necessary to perfect the Security purported to be created by each Transaction Security Document entered into by each Obligor organised under the laws of any state of the United States of America or in respect of shares or indebtedness of any such company (each such Transaction Security Document, a "**US Security Document**");
- (r) Certified reports of a recent date listing all effective UCC financing statements that name an Obligor, as debtor, and that are filed in the jurisdictions referred to in paragraph (a) above, together with, to the extent not already covered by this paragraph (i), copies of such financing statements in respect of all of which appropriate termination statements by the secured party thereunder shall be delivered to the Agent (except in respect of financing statements related to Security permitted to subsist under this Agreement);
- (s) A solvency certificate issued by each US Obligor and addressed to the Agent confirming the solvency of such US Obligor immediately following entry by it into any Transaction Security Document to which it is a party;
- (t) A copy of a good standing certificate with respect to each US Obligor, issued as of a recent date to the date of the Finance Document to which it is a party by the Secretary of State or other appropriate official of that Obligor's jurisdiction of organisation;
- (u) A certificate of each Obligor (signed by a director) confirming that borrowing or guaranteeing or securing, as appropriate, the Total Commitments would not cause any borrowing, guarantee, security or similar limit binding on it to be exceeded.
- (v) A certified copy of the constitutional documents of the Target, together with any amendments to such constitutional documents and the shareholders' agreement between the shareholders of the Target that may be required by the Secured Parties in relation to the Transaction Security Document referred to below.

- (w) If customary in the jurisdiction of the relevant company or required by the Agent (acting reasonably), a copy of the resolutions of the sole shareholder of the Target, approving the creation of the first ranking pledge over 65% of the Target Shares and authorising the Secured Parties as potential transferees of the Target Shares (if the constitutional documents of the Target contain an approval provision).
- (x) A certificate of an authorised signatory of each Obligor and Target certifying that each copy document relating to it specified in this Part II of Schedule 2 is correct, complete and in full force and effect and has not been amended or superseded as at a date no earlier than the Closing Date.
- (y) A certificate of the Borrower (signed by an authorised signatory) certifying that:
 - (i) all of the Equity Documents are in full force and effect and all subscriptions, loans and capital contributions set out in the Structure Memorandum have occurred;
 - (ii) (x) no term of the Acquisition Documents has been or will be amended or waived in a manner materially adverse to the interests of the Lenders under the Finance Documents (for the avoidance of doubt any amendment to the condition precedent relating to the alteration of the corporate form of Target from a French SNC (*société en nom collectif*) to a French SAS (*société par actions simplifiée*) at Schedule 5.3 (*Reorganisation*) of the Acquisition Agreement will be deemed to be materially adverse to the interests of the Lenders under the Finance Documents), (y) all conditions precedent to the Acquisition Documents have been or will be satisfied prior to or on the Closing Date save for any conditions precedent at Clause 6.2(d) of the Acquisition Agreement waived in a manner not materially adverse to the interests of the Lenders under the Finance Documents ("**Waived CP**"); and (z) the Borrower or Bidco is not entitled to terminate any Acquisition Document or to refuse to complete the Acquisition (excluding a right of termination arising from a Waived CP);
 - (iii) the Group Structure Chart is correct, complete and up-to-date, true as at the date on which completion of the Acquisition in accordance with the Acquisition Documents has occurred; and
 - (iv) an amount has been invested indirectly in the Borrower in accordance with the Structure Memorandum.

2. Transaction Documents

- (d) A certified copy of each of the Equity Documents and Acquisition Documents executed by the parties to those documents in form satisfactory to the Lenders, acting reasonably.
- (e) Certified extracts of the shareholders and securities' holders registers of the Target evidencing completion of the Acquisition.
- (f) Certified copies of the Structural Intra-Group Loans in a form acceptable to the Agent.

3. Finance Documents

- (c) The Intercreditor Agreement reflecting the Intercreditor Principles and executed by the members of the Group and their Holding Companies which are party to that Agreement.
- (d) A first ranking pledge (governed by French law) over 65% of the Target Shares executed by Bidco together with certified extracts of shareholder and securities' holders registers of the Target.
- (e) Intercompany loan security over the Structural Intra-Group Loans and
 - (iii) a copy of any other Authorisation or other document, opinion or assurance which the Agent considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by the intercompany loan security or for the validity and enforceability of those Transaction Security Documents; and
 - (iv) any notices or documents required to be given or executed under the terms of those Transaction Security Documents; and
 in each case in form and substance satisfactory to the Lenders, acting in their sole discretion.
- (f) The Utilisation Request relating to the Loan to be made on the Closing Date.
- (g) A copy of all share certificates and stock transfer forms or equivalent duly executed by the relevant Obligor in blank in relation to the assets subject to or expressed to be subject to the Transaction Security to be provided under the Transaction Security Documents, save any share certificates of any company whose shareholder is changing.
- (h) Such documentary evidence as legal counsel to the Agent may require, that such Obligor has complied with any law in its jurisdiction relating to financial assistance or analogous process (to the extent applicable).

4. Legal opinions

- (d) A legal opinion of Shearman & Sterling (London) LLP, legal advisers to the Agent and the Arrangers as to English law in a form acceptable to the Lenders.
- (e) A legal opinion of Shearman & Sterling (Paris) LLP, legal advisers to the Agent and the Arrangers as to French law in a form acceptable to the Lenders.
- (f) A capacity and authority legal opinion of Weil, Gotshal & Manges, legal advisers to the Obligors as to French law in a form acceptable to the Lenders.
- (g) A legal opinion of Morgan, Lewis & Bockius LLP, legal advisers to the Borrower as to Pennsylvania law in a form acceptable to the

Lenders (which will include, for the avoidance of doubt, an opinion in respect of paragraph (a) of Clause 19.29 (*US government regulations*)).

- (h) If an Obligor is incorporated in or has its "centre of main interest" (as referred to in Clause 21.19 (*Centre of main interests*)) in a jurisdiction other than England and Wales or is executing a Finance Document which is governed by a law other than English law, a legal opinion of the legal advisers to the Agent in the jurisdiction of its incorporation or "centre of main interest" (as applicable) or, as the case may be, the jurisdiction of the governing law of that Finance Document (the "**Applicable Jurisdiction**") as to the law of the Applicable Jurisdiction and in the form distributed to the Lenders prior to the Closing Date.

5. Other documents and evidence

- (a) The Group Structure Chart showing the Target Group on or prior to the Closing Date including evidence of the alteration of the corporate form of Target from a French SNC (*société en nom collectif*) to a French SAS (*société par actions simplifiée*).
- (b) The list of Material Companies.
- (c) The Base Case Model.
- (d) The Reports.
- (e) The Structure Memorandum.
- (f) The Funds Flow Statement in a form agreed by the Borrower and the Agent detailing the proposed movement of funds on or around the Closing Date.
- (g) All required consents and approvals obtained by the Borrower or any Obligor (including any regulatory and competition consents or approvals (including works council approval) in connection with the Acquisition and/or entry into the Finance Documents including (but not limited to):
 - (i) anti-trust clearance by the EU and/or the French competition authority; and
 - (ii) Foreign Investment clearance for the transaction by the French Ministry of Economy and Finance in respect of the Acquisition.
- (h) A copy certified by an authorised signatory of the Borrower to be a true copy of the Original Financial Statements.
- (i) Evidence that the fees, costs and expenses then due from the Borrower pursuant to Clauses 13 (*Fees*), 14.5 (*Stamp taxes*) and 18 (*Costs and expenses*) have been paid or will be paid on or by the Closing Date.
- (j) Evidence that the Borrower has contributed no less than €65 million towards the cost of the Acquisition or such greater amount as is, when aggregated with the Facility, sufficient to pay the purchase price under the Acquisition Agreement.
- (k) Other than Permitted Lien and Permitted Refinancing Indebtedness as defined in Schedule 9 (*Restrictive Covenants and Events of Default*), evidence that all existing guarantees and Security of the Target Group will be discharged on or by the Closing Date.
- (l) A certified copy of each agreement evidencing Structural Intra-Group Loans duly executed by the parties thereto.
- (m) If an Obligor is incorporated in a jurisdiction other than England and Wales, evidence that the process agent specified in Clause 40.2 (*Service of process*) has accepted its appointment in relation to the Obligor.
- (n) Provision of all information necessary for identification of the Obligors and their respective Subsidiaries and Holding Companies in order to comply with anti-money laundering requirements and any other "know your customer" requirements of the Lenders.

SCHEDULE 3

Requests

Part IA

Utilisation Request

From: [Borrower]

To: [Agent]

Dated:

Dear Sirs

Project Woodrow – EUR 300 million Senior Secured Bridge Facility Agreement dated ____ (the "Facility Agreement")

1. We refer to the Facility Agreement. This is a Utilisation Request. Terms defined in the Facility Agreement have the same meaning in this Utilisation Request unless given a different meaning in this Utilisation Request.
2. We wish to borrow the Loan on the following terms:
 - (i) Borrower: [•]
 - (j) Proposed Utilisation Date: [•] (or, if that is not a Business Day, the next Business Day)
 - (k) Currency of Loan: Euros

(l) Amount: [•] or, if less, the Total Commitments

(m) Interest Period: [•]

3. We confirm that each condition specified in Clause 4.3 (*Loan during the Certain Funds Period*) is satisfied on the date of this Utilisation Request.
4. [*The proceeds of this Loan should be credited to [account]*].
5. This Utilisation Request is irrevocable.

Yours faithfully

.....
authorised signatory for
[insert name of Borrower]

Part IB
Selection Notice
Applicable to the Loan

From: [Borrower]

To: [Agent]

Dated:

Dear Sirs

Project Woodrow - [] Senior Secured Bridge Facility Agreement
dated [] (the "Facility Agreement")

1. We refer to the Facility Agreement. This is a Selection Notice. Terms defined in the Facility Agreement have the same meaning in this Selection Notice unless given a different meaning in this Selection Notice.
2. [*We request that the next Interest Period for the above Facility is []*].
3. This Selection Notice is irrevocable.

Yours faithfully

.....
authorised signatory for
[insert name of relevant Borrower]

SCHEDULE 4
Form Of Transfer Certificate

To: [•] as Agent and Security Agent

From: [*The Existing Lender*] (the "**Existing Lender**") and [*The New Lender*] (the "**New Lender**")

Dated:

Project Woodrow – EUR 300 million Senior Secured Bridge Facility Agreement
dated ____ (the "Facility Agreement")

1. We refer to the Facility Agreement and to the Intercreditor Agreement (as defined in the Facility Agreement). This agreement (the "**Agreement**") shall take effect as a Transfer Certificate for the purpose of the Facility Agreement and as a Creditor/Agent Accession Undertaking for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facility Agreement and the Intercreditor Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
2. We refer to Clause 23.6 (*Procedure for transfer*) of the Facility Agreement:
 - (i) The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation all or part of the Existing Lender's Commitment, rights and obligations referred to in the Schedule in accordance with Clause 23.6 (*Procedure for transfer*).
 - (j) The proposed Transfer Date is [•].
 - (k) The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 31.2 (*Addresses*)

are set out in the Schedule.

3. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 23.5 (*Limitation of responsibility of Existing Lenders*).
4. The New Lender confirms that it [*is*]/[*is not*] a Sponsor Affiliate.
5. We refer to clause [●] (Change of Lender) of the Intercreditor Agreement:

In consideration of the New Lender being accepted as a Senior Lender for the purposes of the Intercreditor Agreement (and as defined therein), the New Lender confirms that, as from the Transfer Date, it intends to be party to the Intercreditor Agreement as a Senior Lender, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.
6. In consideration of the New Lender being accepted as a Senior Lender for the purposes of the Intercreditor Agreement (and as defined therein), the New Lender confirms that, as from the Transfer Date, it intends to be party to the Intercreditor Agreement as a Senior Lender, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.
7. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
8. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
9. This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: The execution of this Transfer Certificate may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE

Commitment/rights and obligations to be transferred

[*insert relevant details*]

[*Facility Office address, fax number and attention details for notices and account details for payments,*]

[*Existing Lender*]

[*New Lender*]

By:

By:

This Agreement is accepted as a Transfer Certificate for the purposes of the Facility Agreement by the Agent and as a Creditor/Agent Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent, and the Transfer Date is confirmed as [●].

[*Agent*]

By:

[*Security Agent*]

By:

SCHEDULE 5

Form Of Assignment Agreement

To: [●] as Agent and Security Agent and [*Borrower*] for and on behalf of each Obligor

From: [*the Existing Lender*] (the "**Existing Lender**") and [*the New Lender*] (the "**New Lender**")

Dated:

Project Woodrow – EUR 300 million Senior Secured Bridge Facility Agreement
dated _____ (the "Facility Agreement")

1. We refer to the Facility Agreement and to the Intercreditor Agreement (as defined in the Facility Agreement). This is an Assignment Agreement.

This agreement (the "**Agreement**") shall take effect as an Assignment Agreement for the purpose of the Facility Agreement and as a Creditor/Agent Accession Undertaking for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.

2. We refer to Clause 23.7 (*Procedure for assignment*) of the Facility Agreement:
 - (o) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Facility Agreement, the other Finance Documents and in respect of the Transaction Security which correspond to that portion of the Existing Lender's Commitments and participations in the Loan under the Facility Agreement as specified in the Schedule.
 - (p) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender's Commitments and participations in the Loan under the Facility Agreement specified in the Schedule.
 - (q) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.
3. The proposed Transfer Date is [•].
4. On the Transfer Date the New Lender becomes:
 - (a) Party to the relevant Finance Documents (other than the Intercreditor Agreement) as a Lender; and
 - (b) Party to the Intercreditor Agreement as a Senior Lender.
5. The Facility Office and address, fax number and attention details for notices of the New Lender for the purposes of Clause 31.2 (*Addresses*) are set out in the Schedule.
6. The New Lender confirms that it [*is*]/[*is not*] a Sponsor Affiliate.
7. The New Lender expressly acknowledges the limitations on the Existing Lender's obligations set out in paragraph (c) of Clause 23.5 (*Limitation of responsibility of Existing Lenders*).
8. We refer to clause [•] (Change of Lender) of the Intercreditor Agreement:

In consideration of the New Lender being accepted as a Senior Lender for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement), the New Lender confirms that, as from the Transfer Date, it intends to be party to the Intercreditor Agreement as a Senior Lender, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Lender and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.
9. This Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 23.8 (*Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Borrower*), to the Borrower (on behalf of each Obligor) of the assignment referred to in this Agreement.
10. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
11. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
12. This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: The execution of this Assignment Agreement may not transfer a proportionate share of the Existing Lender's interest in the Transaction Security in all jurisdictions. It is the responsibility of the New Lender to ascertain whether any other documents or other formalities are required to perfect a transfer of such a share in the Existing Lender's Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE

Commitment/rights and obligations to be transferred by assignment, release and accession

[insert relevant details]

[Facility office address, fax number and attention details for notices and account details for payments]

[Existing Lender]

[New Lender]

By:

By:

This Agreement is accepted as an Assignment Agreement for the purposes of the Facility Agreement by the Agent, and as a Creditor/Agent Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent, and the Transfer Date is confirmed as [•].

Signature of this Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to in this Agreement, which notice the Agent receives on behalf of each Finance Party.

[•] as Agent
By:

[•] as Security Agent
By:

SCHEDULE 6 Timetable

	Loans in Euro
Delivery of the duly completed Utilisation Request (Clause 5.1 (<i>Delivery of the Utilisation Request</i>)) or a Selection Notice (Clause 11 (<i>Interest Periods</i>))	U-3 11:00 a.m.
Each Lender makes its participation in the Loan available in accordance with Clause 5.4 (<i>Lenders' Participation</i>)	U 8:00 am
EURIBOR is fixed	Quotation Day as of 11.00 a.m. (Brussels time) in respect of EURIBOR
"U"	= date of utilisation
"U - X"	= X Business Days prior to date of utilisation

SCHEDULE 7 Form Of Increase Confirmation

To: [•] as Agent and Security Agent and [] as Borrower, for and on behalf of each Obligor

From: [*the Increase Lender*] (the "**Increase Lender**")

Dated:

Project Woodrow – EUR 300 million Senior Secured Bridge Facility Agreement dated ____ 2014 (the "**Facility Agreement**")

- We refer to the Facility Agreement and to the Intercreditor Agreement (as defined in the Facility Agreement). This agreement (the "**Agreement**") shall take effect as an Increase Confirmation for the purpose of the Facility Agreement and as a Creditor/Agent Accession Undertaking for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement). Terms defined in the Facility Agreement have the same meaning in this Agreement unless given a different meaning in this Agreement.
- We refer to Clause 2.2 (*Increase*) of the Facility Agreement.
- The Increase Lender agrees to assume and will assume all of the obligations corresponding to the Commitment specified in the Schedule (the "**Relevant Commitment**") as if it was an Original Lender under the Facility Agreement.
- The proposed date on which the increase in relation to the Increase Lender and the Relevant Commitment is to take effect (the "**Increase Date**") is [].
- On the Increase Date, the Increase Lender becomes:
 - party to the relevant Finance Documents (other than the Intercreditor Agreement) as a Lender; and
 - party to the Intercreditor Agreement as a Senior Creditor.
- On the Increase Date, the Increase Lender becomes party to the relevant Finance Documents as a Lender.

7. The Facility Office and address, fax number and attention details for notices to the Increase Lender for the purposes of Clause 31.2 (*Addresses*) are set out in the Schedule.
8. The Increase Lender expressly acknowledges the limitations on the Lenders' obligations referred to in paragraph (f) of Clause 2.2 (*Increase*).
9. The Increase Lender confirms that it is not a Sponsor Affiliate.
10. We refer to clause [18.9] (*Creditor/Representative Accession Undertaking*) of the Intercreditor Agreement:

In consideration of the Increase Lender being accepted as a Senior Creditor for the purposes of the Intercreditor Agreement (and as defined in the Intercreditor Agreement), the Increase Lender confirms that, as from the Increase Date, it intends to be party to the Intercreditor Agreement as a Senior Creditor, and undertakes to perform all the obligations expressed in the Intercreditor Agreement to be assumed by a Senior Creditor and agrees that it shall be bound by all the provisions of the Intercreditor Agreement, as if it had been an original party to the Intercreditor Agreement.
9. This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.
10. This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.
11. This Agreement has been entered into on the date stated at the beginning of this Agreement.

Note: The execution of this Increase Confirmation may not be sufficient for the Increase Lender to obtain the benefit of the Transaction Security in all jurisdictions. It is the responsibility of the Increase Lender to ascertain whether any other documents or other formalities are required to obtain the benefit of the Transaction Security in any jurisdiction and, if so, to arrange for execution of those documents and completion of those formalities.

THE SCHEDULE

Relevant Commitment/Rights and Obligations to be assumed by the Increase Lender

[insert relevant details]

[Facility office address, fax number and attention details for notices and account details for payments]

[Increase Lender]

By:

This Agreement is accepted as an Increase Confirmation for the purposes of the Facility Agreement by the Agent and as a Creditor/Agent Accession Undertaking for the purposes of the Intercreditor Agreement by the Security Agent and the Increase Date is confirmed as [].

Agent

By:

Security Agent

By:

SCHEDULE 8 Form of Notifiable Debt Purchase Transaction Notice

Part I Form of Notice on Entering into Notifiable Debt Purchase Transaction

To: [•] as Agent

From: [The Lender]

Dated:

Project Woodrow – EUR 300 million Senior Secured Bridge Facility Agreement dated ____ (the "Facility Agreement")

1. We refer to paragraph (b) of Clause 24.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Sponsor Affiliates*) of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this notice unless given a different meaning in this notice.
2. We have entered into a Notifiable Debt Purchase Transaction.

3. The Notifiable Debt Purchase Transaction referred to in paragraph 2 above relates to the amount of our Commitment(s) as set out below.

Commitment and Facility	Amount of our Commitment to which Notifiable Debt Purchase Transaction relates (Sterling)
Commitment/Facility	[insert amount (of that Commitment) to which the relevant Debt Purchase Transaction applies]

[Lender]

By:

Part II

Form of Notice on Termination of Notifiable Debt Purchase Transaction / Notifiable Debt Purchase Transaction ceasing to be with Sponsor Affiliate

To: [•] as Agent

From: [The Lender]

Dated:

Project Woodrow – EUR 300 million Senior Secured Bridge Facility Agreement dated ____ (the "Facility Agreement")

1. We refer to paragraph (c) of Clause 24.2 (*Disenfranchisement on Debt Purchase Transactions entered into by Sponsor Affiliates*) of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this notice unless given a different meaning in this notice.
2. A Notifiable Debt Purchase Transaction which we entered into and which we notified you of in a notice dated [] has [*terminated*]/[*ceased to be with a Sponsor Affiliate*].
3. The Notifiable Debt Purchase Transaction referred to in paragraph 2 above relates to the amount of our Commitment(s) as set out below.

Commitment and Facility	Amount of our Commitment to which Notifiable Debt Purchase Transaction relates (Sterling)
Commitment and Facility	[insert amount (of that Commitment) to which the relevant Debt Purchase Transaction applies]

[Lender]

By:

SCHEDULE 9 Restrictive Covenants and Events of Default

Part I New York Law Definitions

Capitalized terms used this Schedule 9 (*Restrictive Covenants and Events of Default*) shall have the meaning ascribed to them in this Part I, provided that capitalized terms used in this Schedule 9 (*Restrictive Covenants and Events of Default*) not defined in this Part I shall have the meaning ascribed to them in Clause 1 of this Agreement (*Definitions and Interpretation*).

“Acquired Debt” means, with respect to any specified Person:

- (1) Indebtedness of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Indebtedness is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and
- (2) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

“Additional Intercreditor Agreement” means an intercreditor agreement to be entered by a Parent and/or the relevant Guarantor (among others) on substantially the same terms as the Intercreditor Agreement, including terms with respect to the limitation on enforcement and release of guarantees and priority as set forth in the Intercreditor Agreement (or on terms more favorable to the Finance Parties); *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Agent or the Security Agent or adversely affect the rights, duties, liabilities or immunities of the Agent or the Security Agent under this Agreement, the Intercreditor Agreement or any other Additional Intercreditor Agreement.

“Affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control,” as used with respect to any Person, means the possession, directly or indirectly,

of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” have correlative meanings.

“Asset Sale” means:

- (1) the sale, lease (other than operating leases entered into in the ordinary course of business), conveyance or other disposition of any assets or rights; *provided* that the sale, lease, conveyance or other disposition of all or substantially all of the assets of the Borrower and its Restricted Subsidiaries taken as a whole will be governed by Clause 8.1(*Exit*) of this Agreement and/or the provisions under “—*Part II (General Undertakings and Mandatory Offers)*—*Merger, Consolidation or Sale of Assets*” and not by the provisions of the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)*—*Asset Sales*”; and
- (2) the issuance or sale of Equity Interests in any of the Borrower’s Restricted Subsidiaries.

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

- (1) any single transaction or series of related transactions that involves assets or rights having a Fair Market Value of less than €15.0 million;
- (2) a transfer of assets, rights or Equity Interests, between or among the Borrower and its Restricted Subsidiaries;
- (3) an issuance of Equity Interests by a Restricted Subsidiary of the Borrower to the Borrower or to a Restricted Subsidiary of the Borrower;
- (4) the sale or lease of equipment, products or accounts receivable (including discounting thereof) in the ordinary course of business and any sale or other disposition of obsolete or permanently retired equipment and facilities and equipment and facilities that are no longer useful in the conduct of the business of the Borrower and its Restricted Subsidiaries;
- (5) the sale or other disposition of cash, Cash Equivalents or Government Guaranteed Securities;
- (6) a Restricted Payment that does not violate the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)*—*Restricted Payments*,” a Permitted Investment or any transaction specifically excluded from the definition of Restricted Payment;
- (7) licensing or sublicensing of intellectual property or other general intangibles and licenses, leases or subleases of other property in the ordinary course of business;
- (8) the unwinding of Hedging Obligations;
- (9) the disposition of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (10) any exchange of assets (including a combination of assets and Cash Equivalents) for assets related to a Permitted Business (including Capital Stock of an entity that either is and remains or becomes a Restricted Subsidiary immediately after giving effect to such exchange) of comparable or greater market value or usefulness to the business of the Borrower and its Restricted Subsidiaries as a whole, as determined in good faith by the Borrower;
- (11) the sale, lease, assignment, exchange or other transfer of inventory, products, services, raw materials, receivables or other assets in the ordinary course of business;
- (12) any sale or other disposition of damaged, worn-out, obsolete or excess assets or properties or other assets that are no longer used or useful in or necessary for the conduct of the business of the Borrower and its Restricted Subsidiaries;
- (13) any sale of assets received by the Borrower or any of its Restricted Subsidiaries upon the foreclosure on a Lien;
- (14) the foreclosure, condemnation or any similar action with respect to any property or other assets, or the surrender, or waiver of contract rights or settlement, release or surrender of contract, tort or other claims;
- (15) licenses and sublicenses by the Borrower or any of its Restricted Subsidiaries in the ordinary course of business;
- (16) dispositions to the extent required by, or made pursuant to, customary buy/sell arrangements between joint venture parties set forth in joint venture arrangements and similar binding agreements;
- (17) the granting of Liens not otherwise prohibited by this Agreement; and
- (18) any disposition of Receivables Assets in a Permitted Receivables Transaction.

“Attributable Debt” in respect of a sale and leaseback transaction means, at the time of determination, the present value of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction including any period for which such lease has been extended or may, at the option of the lessor, be extended. Such present value shall be calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP; *provided, however*, that if such sale and leaseback transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of “Capital Lease Obligation.”

“Bankruptcy Law” means (a) Title 11, United States Bankruptcy Code of 1978 (as may be amended from time to time) or (b) any other law of the United States (or, in each case, any political subdivision thereof) or the laws of any other relevant jurisdiction or any political subdivision thereof relating to bankruptcy, insolvency, receivership, winding up, liquidation, reorganization or relief of debtors.

“Beneficial Owner” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the U.S. Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the U.S. Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time.

“Board of Directors” means:

- (1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of

such board;

- (2) with respect to a partnership, the board of directors of the general partner of the partnership;
- (3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and
- (5) with respect to any other Person, the board or committee of such Person serving a similar function.

“Capital Lease Obligation” means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet prepared in accordance with GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

“Capital Stock” means:

- (1) in the case of a corporation, corporate stock;
- (2) in the case of an association or business entity that is not a corporation, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“Cash Equivalents” means:

- (1) direct obligations (or certificates representing an interest in such obligations) issued by, or unconditionally guaranteed by, the government of a member state of the European Union, Switzerland or the United States of America (including, in each case, any agency or instrumentality thereof), as the case may be, the payment of which is backed by the full faith and credit of the relevant member state of European Union, Switzerland or the United States of America, as the case may be, and which are not callable or redeemable at the Borrower’s option; *provided* that such country (or agency or instrumentality) has a long-term government debt rating of “A1” or higher by Moody’s or “A+” or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment;
- (2) overnight bank deposits, time deposit accounts, certificates of deposit, banker’s acceptances and money market deposits with maturities (and similar instruments) of 12 months or less from the date of acquisition issued by a bank or trust company *provided* that (A)(i) such bank or trust company is organized under, or authorized to operate as a bank or trust company under, the laws of a member state of the European Union, Switzerland or the United States of America or any state thereof and has capital, surplus and undivided profits aggregating in excess of €250 million (or the foreign currency equivalent thereof as of the date of such investment) and whose rating is “P-2” or higher by Moody’s or “A-2” or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment and (ii) such country under which such bank or trust company is organized or authorized to operate has a long-term government debt rating of “A1” or higher by Moody’s or “A+” or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment; or (B) such bank or trust company has capital, surplus and undivided profits aggregating in excess of €250 million (on the foreign currency equivalent thereof as of the date of such investment) and whose rating is “P-1” or higher by Moody’s or “A-1” or higher by S&P or the equivalent rating category of another internationally recognized rating agency, as of the date of the investment;
- (3) repurchase obligations for underlying securities of the types described in clauses (1) and (2) above entered into with any financial institution meeting the qualifications specified in clause (2) above;
- (4) commercial paper having one of the two highest ratings obtainable from Moody’s or S&P and, in each case, maturing within one year after the date of acquisition; and
- (5) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (4) of this definition.

“Change of Control” means the occurrence of any of the following:

- (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Borrower and its Subsidiaries taken as a whole to any “person” (as that term is used in Section 13(d) of the U.S. Exchange Act) other than the Permitted Holders;
- (2) the adoption of a plan relating to the liquidation or dissolution of the Borrower; or
- (3) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any “person” (as defined above), other than the Permitted Holders becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of the Borrower, measured by voting power rather than number of shares; *provided* that so long as the Borrower is a Subsidiary of a parent Person, no “person” shall be deemed to be or become a Beneficial Owner of more than 50% of the total voting power of the Voting Stock of the Borrower unless such “person” shall be or become a Beneficial Owner of more than 50% of the total voting power of the Voting Stock of such parent Person;

“Consolidated Cash Flow” means, with respect to any specified Person for any period, the Consolidated Net Income of such Person for such period plus, without duplication:

- (1) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*
- (2) the Fixed Charges of such Person and its Restricted Subsidiaries for such period, to the extent that such Fixed Charges were deducted in computing such Consolidated Net Income; *plus*

- (3) depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; *plus*
- (5) acquisition costs and any fees, expenses, charges or other costs related to equity or debt financings, investments, restructurings, dispositions or acquisitions, establishing a joint venture, disposition, recapitalization or listing or the incurrence of Indebtedness permitted to be incurred under the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock*” (or the refinancing thereof) whether or not successful, including (i) such fees, expenses or charges related to an incurrence of Indebtedness and (ii) any amendment or other modification of any incurrence; *minus*
- (6) non-cash items increasing such Consolidated Net Income for such period, other than the accrual of revenue in the ordinary course of business and other than the reversal of a reserve for cash charges in a future period in the ordinary course of business,

in each case, on a consolidated basis and determined in accordance with GAAP.

“Consolidated Leverage” means, with respect to any Person, the sum of the aggregate outstanding Indebtedness of that Person and its Restricted Subsidiaries, the aggregate outstanding amount of Disqualified Stock issued by the Borrower and the aggregate liquidation preference of any preferred stock issued by a Restricted Subsidiary, in each case, as of the relevant date of calculation.

“Consolidated Leverage Ratio” means, with respect to any Person as of any date of determination, the ratio of (a) the Consolidated Leverage of such Person on such date to (b) the Consolidated Cash Flow of such Person for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Consolidated Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Leverage Ratio is made (for purposes of this definition, the “Calculation Date”), then the Consolidated Leverage Ratio will be calculated giving pro forma effect (as determined in good faith by a responsible accounting or financial officer of the Borrower and may include anticipated expense and cost reduction synergies) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Consolidated Cash Flow for such period:

- (1) acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary), during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given pro forma effect (as determined in good faith by a responsible accounting or financial officer of the Borrower and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;
- (2) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;
- (3) any Person that is a Restricted Subsidiary (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary) on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and
- (4) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period.

“Consolidated Net Income” means, with respect to any specified Person for any period, the aggregate of the net income (loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP; *provided that*:

- (1) any gain (loss), together with any related provision for taxes on such gain (loss) realized in connection with: (a) any Asset Sale by any such Person or its Restricted Subsidiaries or (b) the disposition of any securities by such Person or any of its Restricted Subsidiaries or (c) the extinguishment of any Indebtedness of such Person or any of its Restricted Subsidiaries will be excluded;
- (2) any extraordinary gain (loss), together with any related provision for taxes on such extraordinary gain (loss), will be excluded;
- (3) the net income (loss) of any Person that is not a Restricted Subsidiary (including an Unrestricted Subsidiary or a joint venture that is not a Restricted Subsidiary) or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or similar distributions paid in cash to the specified Person or a Restricted Subsidiary of such Person;
- (4) solely for purposes of determining the amount available for Restricted Payments under clause 3(a) following the definition of Restricted Payments, the net income (loss) of any Restricted Subsidiary that is not a Guarantor will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that net income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders (other than (a) restrictions with respect to the payment of dividends or similar distributions that have been legally waived or released or (b) restrictions listed under clauses (1) through (4), (8), (12), (15) and (16) of the second paragraph of “—*Part II (General Undertakings and Mandatory Offers)—Dividend and Other Payment Restrictions Affecting Subsidiaries*”);
- (5) the cumulative effect of a change in accounting principles will be excluded;
- (6) any increase in amortization or depreciation resulting from purchase accounting in relation to any acquisition of another Person or business will be excluded;

- (7) all Transaction Costs will be excluded;
- (8) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards, any non-cash deemed finance charges in respect of any pension liabilities or other provisions, any non-cash net after tax gains or losses attributable to the termination or modification of any employee pension benefit plan and any charge or expense relating to any payment made to holders of equity based securities or rights in respect of any dividend sharing provisions of such securities or rights to the extent such payment was made pursuant to the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)*—*Restricted Payments*” will be excluded;
- (9) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness or Hedging Obligations and any net gain (loss) from any write-off or forgiveness of Indebtedness will be excluded;
- (10) any unrealized gains or losses in respect of Hedging Obligations or other financial instruments or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations will be excluded;
- (11) any unrealized foreign currency transaction gains or losses in respect of Indebtedness or other obligations of the Borrower or any Restricted Subsidiary denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses resulting from remeasuring assets and liabilities denominated in foreign currencies will be excluded;
- (12) any unrealized foreign currency translation or transaction gains or losses in respect of Indebtedness or other obligations of the Borrower or any Restricted Subsidiary owing to the Borrower or any Restricted Subsidiary will be excluded;
- (13) [Reserved]; and
- (14) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Debt will be excluded.

“Consolidated Senior Secured Leverage Ratio” means, with respect to any Person as of any date of determination, the ratio of (a) the Senior Secured Debt of such Person on such date to (b) the Consolidated Cash Flow of such Person for the most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred, *provided, however*, that, for the purposes of clause (b) of the first paragraph of the covenant under “—*Part II (General Undertakings and Mandatory Offers)*—*Incurrence of Indebtedness and Issuance of Preferred Stock*” the calculation of the Consolidated Senior Secured Leverage Ratio shall be made assuming that the maximum amount of Indebtedness permitted to be incurred under clause (1) of the second paragraph of the covenant “—*Part II (General Undertakings and Mandatory Offers)*—*Incurrence of Indebtedness and Issuance of Preferred Stock*” has been incurred and is outstanding in the form of Senior Secured Debt. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems Disqualified Stock or preferred stock subsequent to the commencement of the period for which the Consolidated Senior Secured Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Senior Secured Leverage Ratio is made (for purposes of this definition, the “Calculation Date”), then the Consolidated Senior Secured Leverage Ratio will be calculated giving *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Borrower and may include anticipated expense and cost reduction synergies) to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four- quarter reference period; *provided, however*, that the *pro forma* calculation of the Consolidated Senior Secured Leverage Ratio shall not give effect to (i) any Indebtedness incurred on the date of determination pursuant to the provisions set forth in the definition of Permitted Debt; or (ii) the discharge on the date of determination of any Indebtedness to the extent that such discharge results from the application of the proceeds of Indebtedness incurred at the date of determination pursuant to the provisions set forth in the definition of Permitted Debt.

In addition, for purposes of calculating the Consolidated Cash Flow for such period:

- (1) acquisitions that have been made by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary), during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Borrower and may include anticipated expense and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;
- (2) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;
- (3) any Person that is a Restricted Subsidiary (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary) on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and
- (4) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period.

“Consolidated Total Assets” means, with respect to any specified Person at any time, the total assets of such Person and its Subsidiaries which are Restricted Subsidiaries, in each case as shown on the most recent balance sheet of such Person, determined on a consolidated basis in accordance with GAAP.

“Contingent Obligations” means, with respect to any Person, any obligation of such Person guaranteeing any leases, dividends or other obligations that do not constitute Indebtedness (“primary obligations”) of any other Person in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent:

- (1) to purchase any such primary obligation or any property constituting direct or indirect security thereof;
- (2) to advance or supply funds (A) for the purchase or payment of any such primary obligation or (B) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or

- (3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such obligation against loss in respect thereof.

“Credit Facilities” means any credit agreement, indentures or other agreements between the Borrower or one or more Restricted Subsidiaries and a financial institution or institutions providing for the making of loans, on a term or revolving basis, the issuance of letters of credit, commercial paper facilities, notes or any other debt securities, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or equipment financing facilities (including, without limitation, finance leases, asset-based lending, sale-and-leaseback transactions and similar arrangements), in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced (including by means of a sale of debt securities) in whole or in part from time to time in one or more agreements or indentures (in each case with the same or new lenders or institutional investors), including any agreement or indenture extending the maturity thereof or otherwise restructuring all or any portion of the Indebtedness thereunder or increasing the amount loaned or issued thereunder or altering the maturity thereof.

“Default” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default

“Designated Non-Cash Consideration” means the Fair Market Value of non-cash consideration received by the Borrower or any Restricted Subsidiary in connection with an Asset Sale that is designated as such on the closing date of such Asset Sale pursuant to an Officers’ Certificate setting forth the basis of such valuation. The aggregate Fair Market Value of the Designated Non-Cash Consideration at the time of receipt, taken together with the Fair Market Value (measured on the date of receipt) of all other Designated Non-Cash Consideration received by the Borrower or any Restricted Subsidiary since the date of this Agreement that is outstanding, may not exceed the greater of €30.0 million and 1.5% of Consolidated Total Assets in the aggregate.

“Disqualified Stock” means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the Stated Maturity of the Loan. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the Borrower to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the Borrower may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Restricted Payments.*” The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Agreement will be the maximum amount that the Borrower and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock, exclusive of accrued dividends.

“Equity Interests” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“Equity Offering” means any public or private offering of the Capital Stock (other than Disqualified Stock) of the Borrower or a Parent of the Borrower, *provided* that (x) any such offering shall exclude Capital Stock issued to an Affiliate of the Borrower or pursuant to a stock option or employment compensation program and (y) in the case of any such offering by a Parent of the Borrower, the Net Proceeds thereof are contributed to the equity of the Borrower (other than through the issuance of Disqualified Stock or through an Excluded Contribution) or loaned to the Borrower as Subordinated Shareholder Debt.

“Euro Equivalent” means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in the Financial Times in the “Currency Rates” section (or, if the Financial Times is no longer published, or if such information is no longer available in the Financial Times, such source as may be selected in good faith by the Borrower) on the date of such determination.

“European Union Member State” shall mean any country that was a member of the European Union as of January 1, 2004.

“Excluded Contribution” means Net Proceeds or property or assets received by the Borrower as capital contributions to the equity (other than through the issuance of Disqualified Stock) of the Borrower after the Closing Date or from the issuance or sale (other than to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Borrower or any Subsidiary of the Borrower for the benefit of its employees to the extent funded by the Borrower or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock) of the Borrower, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer’s Certificate of the Borrower.

“Existing Facilities” means (i) the €40 million facilities under the term loan agreement dated September 8, 2011 between Flaga GmbH and Raiffeisen Bank International AG, (ii) the €19.1 million facility under the term loan agreement dated December 22, 2011 between Flaga GmbH and Raiffeisen Bank International AG, (iii) the \$52 million facility under the credit agreement dated July 18, 2013 among Flaga GmbH and Wells Fargo International, and (iv) the €380 million facility under the senior facilities agreement dated March 16, 2011 among AGZ Holding, Antargaz and Natixis.

“Existing Indebtedness” means Indebtedness of the Borrower and its Restricted Subsidiaries (other than any Indebtedness under the Finance Documents) in existence on the date of this Agreement until such amounts are repaid, including, without limitation, the Existing Facilities.

“Fair Market Value” means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the chief executive officer, chief financial officer or responsible accounting or financial officer of the Borrower (unless otherwise provided in this Agreement). For the avoidance of doubt the Agent shall have no obligation to determine Fair Market Value.

“Fixed Charge Coverage Ratio” means, with respect to any specified Person for any period, the ratio of the Consolidated Cash Flow of such Person for such period to the Fixed Charges of such Person for such period. In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital or capital expenditure borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (for purposes of this definition, the “Calculation Date”), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect to such incurrence, assumption, Guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period; *provided*, however, that the *pro forma* calculation of the Fixed Charge Coverage Ratio shall not give effect to (i) any Indebtedness incurred on the date of determination pursuant to the provisions set forth in the definition of Permitted Debt (other than any such additional Indebtedness that is incurred on the date of determination under clause (14) of the definition of Permitted Debt, the incurrence of which itself requires the calculation of the Fixed Charge Coverage Ratio) or (ii) the discharge on the date of determination of any Indebtedness to the extent that such discharge results from the proceeds incurred on the date of determination pursuant to the provisions set forth in the definition of Permitted Debt.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

- (1) acquisitions that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Restricted Subsidiaries, and including any related financing transactions and including increases in ownership of Restricted Subsidiaries (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary), during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given *pro forma* effect as if they had occurred on the first day of the four-quarter reference period;
- (2) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;
- (3) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;
- (4) any Person that is a Restricted Subsidiary (including any Unrestricted Subsidiary that has been redesignated as a Restricted Subsidiary) on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;
- (5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and
- (6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Indebtedness).

For purposes of this definition, whenever *pro forma* effect is to be given to an acquisition or other Investment and the amount of income or earnings relating thereto, the *pro forma* calculations will be as determined in good faith by a responsible financial or accounting officer of the Borrower (including in respect of anticipated expense and cost reductions, operating improvements and synergies). In addition, for purposes of this definition, in determining the amount of Indebtedness outstanding on any date of determination, *pro forma* effect shall be given to any incurrence, repayment, repurchase, defeasance or other acquisition, retirement or discharge of Indebtedness on such date.

“Fixed Charges” means, with respect to any specified Person for any period, the sum, without duplication, of:

- (1) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, net of consolidated interest income, whether paid or accrued, including, without limitation, amortization of original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers’ acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations in respect of interest rates (excluding non-cash interest expense on Subordinated Shareholder Debt); plus
- (2) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; plus
- (3) any interest on Indebtedness of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a Lien on assets of such Person or one of its Restricted Subsidiaries, whether or not such Guarantee or Lien is called upon; plus
- (4) all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of such Person or any of its Restricted Subsidiaries, other than dividends on Equity Interests payable solely in Equity Interests or Subordinated Shareholder Debt of the Borrower (other than Disqualified Stock) or to the Borrower or a Restricted Subsidiary of the Borrower; plus
- (5) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the date on which the event for which the calculation of the Fixed Charges is made (for purposes of this definition, the “Calculation Date”), will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any Restricted Subsidiary following the Calculation Date.

“Full Takeout Demand Failure” means the earlier to occur of (x) a third Takeout Demand Failure and (y) one or more Takeout Demand Failures with respect to which the portion of the principal amount(s) of the Loan intended to be refinanced pursuant to the Securities Notice(s) related to such Takeout Demand Failure(s) aggregates to at least the entire outstanding principal amount of the Loan.

“GAAP” means generally accepted accounting principles in the United States of America, as set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, in each case, as in effect on the date of any calculation or determination required hereunder; *provided* that at any time after the Closing Date, the Borrower may elect to apply IFRS for the purposes of this Agreement, and from and after such election, references herein to GAAP shall be deemed to be references to IFRS in effect at the date of any calculation or determination required hereunder and all defined terms in this Agreement, and all ratios and computations based on GAAP shall be computed in conformity with IFRS in effect at the date of any calculation or determination required hereunder, from and after any such election. In addition, at any time after the Closing Date, the Borrower may elect (whether then reporting pursuant to IFRS or U.S. GAAP) to establish that GAAP shall mean the GAAP as in effect on or prior to the date of such election, *provided* that any such election, once made, shall be irrevocable.

“Government Guaranteed Securities” means:

- (1) securities issued or directly and fully guaranteed or insured by the U.S. government or any agency or instrumentality thereof (other than Cash Equivalents) and in each case with maturities not exceeding two years from the date of acquisition;
- (2) corresponding instruments by any European Union Member State (provided that such member state has one of the two highest ratings obtainable from Moody’s or S&P) or Switzerland or Norway or Japan, or any agency or instrumentality of any European Union Member State (provided that such member state has one of the two highest ratings obtainable from Moody’s or S&P) or Switzerland or Norway or Japan and in each case with maturities not exceeding two years from the date of acquisition; and

- (3) investments in any fund that invests exclusively in investments of the type described in clauses (1) and (2) above which fund may also hold immaterial amounts of cash pending investment and/or distribution.

“Guarantee” means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

“Guarantor” means, for the purposes of this Schedule 9 (*Restrictive Covenants and Events of Default*), any Subsidiary of the Borrower that accedes as a party to this Agreement to provide a Loan Guarantee.

“Hedging Obligations” means, with respect to any specified Person, the obligations of such Person under:

- (1) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;
- (2) other agreements or arrangements designed to manage interest rates or interest rate risk; and
- (3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates or commodity prices.

“IFRS” means International Financial Reporting Standards (formerly International Accounting Standards) endorsed from time to time by the European Union or any variation thereof.

“Indebtedness” means, with respect to any specified Person, any Indebtedness of such Person (excluding accrued expenses and trade payables), whether or not contingent:

- (1) in respect of borrowed money;
- (2) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof);
- (3) in respect of banker’s acceptances;
- (4) representing Capital Lease Obligations or Attributable Debt in respect of sale and leaseback transactions;
- (5) representing the balance deferred and unpaid of the purchase price of any property or services due more than six months after such property is acquired or such services are completed; or
- (6) representing any Hedging Obligations,

if and to the extent any of the preceding items (other than letters of credit, Attributable Debt and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP. In addition, the term “Indebtedness” includes all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, the Guarantee by the specified Person of any Indebtedness of any other Person.

Notwithstanding the foregoing, “Indebtedness” shall not include any:

- (A) Contingent Obligations incurred in the ordinary course of business;
- (B) in connection with the purchase by the Borrower or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 90 days thereafter;
- (C) any contingent obligations in respect of workers’ compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes;
- (D) Subordinated Shareholder Debt;
- (E) anything accounted for as an operating lease under GAAP on the date hereof; or
- (F) any deposits or prepayments received by the Borrower or a Restricted Subsidiary for services or products to be provided or delivered.

No Indebtedness will be considered to be subordinate or junior in right of payment to any other Indebtedness by reason of any Liens or guarantees arising or created in respect of such other Indebtedness or by virtue of the fact that holders of any secured Indebtedness have entered into intercreditor agreements giving one or more holders priority over other holders in the collateral held by them.

“Independent Financial Advisor” means an investment banking or accounting firm of international standing or any third party appraiser of international standing; *provided, however*, that such firm or appraiser is not an Affiliate of the Borrower.

“Initial Public Offering” means an Equity Offering of common stock or other common equity interests of the Borrower or any Parent or any successor of the Borrower or any such Parent (the “IPO Entity”) following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of the IPO Entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

“Investment Grade Status” shall occur when the Notes receive both of the following:

- (1) a rating of “BBB-” or higher from S&P; and
- (2) a rating of “Baa3” or higher from Moody’s;

or the equivalent of such rating by either such rating organization or, if no rating of Moody’s or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

“Investments” means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including Guarantees or other obligations), advances or capital contributions (excluding commission, travel and similar advances to directors, officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Borrower or any Subsidiary of the Borrower sells or otherwise disposes of any Equity Interests of any direct or indirect Subsidiary of the Borrower such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of the Borrower, the Borrower will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Borrower’s Investments in such Subsidiary that were not sold or disposed of. Except as otherwise provided in this Agreement, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value. The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Borrower’s option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment; *provided*, that to the extent that the amount of Restricted Payments outstanding at any time pursuant to paragraph (a) of the covenant set forth under “—Part II (General Undertakings and Mandatory Offers)—Restricted Payments” is so reduced by any portion of any such amount or value that would otherwise be included in the calculation of Consolidated Net Income, such portion of such amount or value shall not be so included for purposes of calculating the amount of Restricted Payments that may be made pursuant to paragraph (a) of the covenant set forth under “—Part II (General Undertakings and Mandatory Offers)—Restricted Payments.”

“IPO Market Capitalization” means an amount equal to (a) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity at the time of closing of the Initial Public Offering multiplied by (b) the price per share at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

“Loan Guarantee” means the Guarantee by any Guarantor of the Borrower’s obligations under this Agreement.

“Management Advances” means, loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers, employees or consultants of the Borrower or any Restricted Subsidiary:

- (1) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business;
- (2) in respect of moving related expenses incurred in connection with any closing or consolidation of any facility or office; or
- (3) (in the case of this clause (3)) in the ordinary course of business or consistent with past practice not to exceed €5.0 million in the aggregate at any one time outstanding.

“Market Capitalization” means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity on the date of the declaration of the relevant dividend or distribution or the making of the relevant loan or advance multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the thirty (30) consecutive trading days immediately preceding the date of declaration of such dividend or distribution or the making of the relevant loan or advance.

“Moody’s” means Moody’s Investors Service, Inc.

“Nationally Recognized Statistical Rating Organization” means a nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the U.S. Exchange Act.

“Net Proceeds” means the aggregate cash proceeds received by the Borrower or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP.

“Non-Recourse Debt” means Indebtedness as to which neither the Borrower nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender.

“Obligations” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

“Officer” means, with respect to any Person, (1) the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Managing Director or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an “Officer” for the purposes of this Agreement by the Board of Directors of such Person.

“Officer’s Certificate” means, with respect to any Person, a certificate signed by one Officer of such Person.

“Opinion of Counsel” means a legal opinion given by counsel to the Borrower and addressed to the Agent.

“Parent” means any Person of which the Borrower at any time is or becomes a Subsidiary after the date of this Agreement and any holding companies established by the Permitted Holders for purposes of holding its investment in any Parent.

“Pari Passu Indebtedness” means any Indebtedness of the Borrower or any Guarantor (other than Indebtedness that is a Guarantee of the Indebtedness of another Person and other than Indebtedness owed to the Borrower or a Restricted Subsidiary or an Affiliate of the Borrower) that is secured by a first-priority Lien on the Charged Property and that is not subordinated in right of payment to the Loan or any Loan Guarantee.

“Permitted Business” means any business in which the Borrower and its Subsidiaries were engaged on the date of this Agreement, and any business incidental, reasonably related, complementary or ancillary thereto, or which is a reasonable extension thereof.

“Permitted Collateral Liens” means:

- (1) Liens on the Charged Property to secure the Indebtedness under the Finance Documents and any Permitted Refinancing Indebtedness

in respect thereof; *provided* that each of the parties thereto or their representatives will have entered into the Intercreditor Agreement and any Additional Intercreditor Agreement; *provided further* that all property and assets (including, without limitation, the Charged Property) securing such Permitted Refinancing Indebtedness also secure the Indebtedness under the Finance Documents on a senior or *pari passu* basis;

- (2) Liens on the Charged Property to secure:
- (i) Indebtedness of the Borrower or a Guarantor that is permitted to be incurred by clause (1) of the definition of Permitted Debt; *provided* that each of the parties thereto or their representatives will have entered into the Intercreditor Agreement and any Additional Intercreditor Agreement; *provided further* that all property and assets (including, without limitation, the Charged Property) securing such Indebtedness also secure the Indebtedness under the Finance Documents on a senior or *pari passu* basis;
 - (ii) Senior Secured Debt of the Borrower or a Guarantor that is permitted to be incurred by the first paragraph of the covenant set forth under “—Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock” or Indebtedness of the Borrower or a Guarantor that is permitted to be incurred by clause (4) (other than in respect of Capital Lease Obligations), clause (14), clause (17) or clause (19) of the definition of Permitted Debt and Permitted Refinancing Indebtedness in respect thereof; *provided* that each of the parties to such Indebtedness or Permitted Refinancing Indebtedness or their representatives will have entered into the Intercreditor Agreement and any Additional Intercreditor Agreement; *provided further* that all property and assets (including, without limitation, the Charged Property) securing such Senior Secured Debt or Permitted Refinancing Indebtedness also secure the Indebtedness under the Finance Documents on a senior or *pari passu* basis;
- (3) Liens on the Charged Property to secure Hedging Obligations of the Borrower or a Guarantor permitted to be incurred by clause (8) of the definition of Permitted Debt to the extent relating to (i) Indebtedness under the Finance Documents, (ii) Indebtedness that is permitted to be secured on the Charged Property pursuant to clause (2) above that is secured on the Charged Property on the same basis as the Indebtedness under the Finance Documents and that ranks *pari passu* in right of payment with the Indebtedness under the Finance Documents; *provided* that each of the parties thereto or their representatives will have entered into the Intercreditor Agreement and any Additional Intercreditor Agreement; *provided further* that all property and assets (including, without limitation, the Charged Property) securing such Indebtedness also secure the Indebtedness under the Finance Documents on a *pari passu* or senior basis;
- (4) Liens on the Charged Property to secure on a second-priority basis Subordinated Obligations of the Borrower or a Guarantor that are permitted to be incurred under the covenant set forth under “—Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock” and that are permitted to be so secured by the Intercreditor Agreement or any Additional Intercreditor Agreement; *provided* that such Liens rank junior to the Permitted Collateral Liens securing the Indebtedness under the Finance Documents; *provided further* that each of the parties thereto or their representatives will have entered into the Intercreditor Agreement and any Additional Intercreditor Agreement;
- (5) Liens on the Charged Property that are described in one or more of clauses (5), (8), (9), (10), (14), (15), (16), (17), (18), (19) and (20) of the definition of “Permitted Liens.”

“Permitted Holders” means UGI Corporation and its Subsidiaries.

“Permitted Investments” means:

- (1) any Investment in the Borrower or in a Restricted Subsidiary of the Borrower;
- (2) any Investment in cash, Cash Equivalents or Government Guaranteed Securities;
- (3) any Investment by the Borrower or any Restricted Subsidiary of the Borrower in a Person, if as a result of such Investment:
 - (a) such Person becomes a Restricted Subsidiary of the Borrower; or
 - (b) such Person, in one transaction or a series of related transactions, is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Borrower or a Restricted Subsidiary of the Borrower;
- (4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant set forth under “—Part II (General Undertakings and Mandatory Offers)—Asset Sales”;
- (5) any acquisition of assets or Capital Stock solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Borrower;
- (6) any Investments received: (i) in compromise or resolution of (A) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Borrower or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (B) litigation, arbitration or other disputes with Persons who are not Affiliates; or (ii) as a result of foreclosure by the Borrower or any of its Restricted Subsidiaries with respect to any secured Investment or other transfer or title with respect to any secured Investment in default;
- (7) lease, utility and workers’ compensation, performance and other similar deposits made in the ordinary course of business;
- (8) Investments represented by Hedging Obligations;
- (9) Management Advances;
- (10) repayment of any Indebtedness under the Finance Documents;
- (11) Investments in receivables owing to the Borrower or any Restricted Subsidiary created or acquired in the ordinary course of business;
- (12) Investments acquired after the date of this Agreement as a result of the acquisition by the Borrower or any Restricted Subsidiary of another Person, including by way of a merger, amalgamation or consolidation with or into the Borrower or any of its Restricted Subsidiaries in a transaction that is not prohibited by the covenant set forth under “—Part II (General Undertakings and Mandatory

Offers)—Merger, Consolidation or Sale of Assets” to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

- (13) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (13) that are at the time outstanding not to exceed the greater of (i) 4.0% of Consolidated Total Assets of the Borrower or (ii) €80.0 million; *provided* that if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is merged into or with the Borrower or a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Restricted Payments*,” such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of “Permitted Investments” and not this clause;
- (14) any Investment existing on, or made pursuant to written agreements existing on, the date of this Agreement and any Investment that replaces, refinances or refunds an existing Investment (or an Investment made pursuant to binding written commitments in existence on the date of this Agreement); *provided* that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the date of this Agreement or (b) as otherwise permitted under this Agreement;
- (15) Investments by the Borrower or a Restricted Subsidiary in an amount not to exceed €50.0 million in one or more joint ventures engaged in a Permitted Business; *provided* that if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is merged with or into a Restricted Subsidiary or the Borrower or is subsequently designated a Restricted Subsidiary pursuant to the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Restricted Payments*,” such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of “Permitted Investments” and not this clause and *provided* that, to the extent any such Investment is in Equity Interests of such joint venture, the amount of the Investment deemed outstanding for the purposes of this clause (15) shall be equal to the proportionate share held by the Borrower or such Restricted Subsidiary, as the case may be, in the Fair Market Value of the net assets of such joint venture at the time of the Investment; and
- (16) guarantees of Indebtedness permitted to be incurred by the Borrower or its Restricted Subsidiaries by the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock*” and keepwells and similar arrangements not prohibited by the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock*.”

provided, however, that with respect to any Investment, the Borrower may in its sole discretion, allocate all or any portion of any Investment to one or more of the above clauses (1) through (16) so that the entire Investment would be a Permitted Investment.

“Permitted Liens” means:

- (1) [Reserved];
- (2) Liens in favor of the Borrower or any Restricted Subsidiary of the Borrower;
- (3) Liens on property (including Capital Stock) of a Person existing at the time such Person becomes a Restricted Subsidiary of the Borrower or is merged with or into or consolidated with the Borrower or any Restricted Subsidiary of the Borrower; *provided* that such Liens were in existence prior to the contemplation of such Person becoming a Restricted Subsidiary or the Borrower or such merger or consolidation and do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary or is merged into or consolidated with the Borrower or the Subsidiary (plus improvements, accessions, proceeds or dividends or distributions in respect thereof);
- (4) Liens on property or assets (including Capital Stock) existing at the time of acquisition of the property or assets by the Borrower or any Subsidiary of the Borrower (plus improvements, accessions, proceeds or dividends or distributions in respect thereof); *provided* that such Liens were in existence prior to, such acquisition, and not incurred in contemplation of, such acquisition;
- (5) Liens or deposits to secure the performance of tenders, bids, statutory or regulatory obligations, surety, appeal, indemnity or performance bonds, letters of credit, banker’s acceptances, warranty, contractual, netting or set-off requirements or other obligations of a like nature incurred in the ordinary course of business (including Liens to secure letters of credit issued to assure payment of such obligations);
- (6) Liens to secure Productive Asset Financings permitted by clause (4) of the second paragraph of the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock*” and Liens to secure Productive Asset Financings, to the extent limited to tangible fixed assets, otherwise permitted to be incurred pursuant to the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock*,” in each case, covering only the assets acquired with or financed by such Productive Asset Financings;
- (7) Liens existing on the date of this Agreement or provided for under written arrangements existing on the date of this Agreement;
- (8) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted or the non-payment of which in the aggregate would not reasonably be expected to have a material adverse effect on the Borrower and its Restricted Subsidiaries; *provided* that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;
- (9) Liens imposed by law, such as carriers’, warehousemen’s, landlord’s, lessors’, suppliers’, banks’, repairmen’s and mechanics’ Liens and Liens of landlords securing obligations to pay lease payments that are not yet due and payable or in default, in each case, incurred in the ordinary course of business;
- (10) survey exceptions, easements or reservations (including severances, leases or reservations of oil, gas, coal, minerals or water rights) of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property or title defects that were not incurred in connection with Indebtedness and that do not in the aggregate materially adversely affect the value of said properties (as such properties are used by the Borrower and its Subsidiaries) or materially impair their use in the operation of the business of the Borrower and its Subsidiaries;

- (11) Liens created for the benefit of (or to secure) the Indebtedness under the Finance Documents;
- (12) Liens securing Indebtedness under Hedging Obligations, which obligations are permitted by clause (8) of the second paragraph of the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock*”;
- (13) Liens to secure any Permitted Refinancing Indebtedness permitted to be incurred under this Agreement; *provided, however*, that:
 - (a) the new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to, such property or proceeds or distributions thereof); and
 - (b) the Indebtedness secured by the new Lien is not increased to any amount greater than the sum of (x) the outstanding principal amount, or, if greater, committed amount, of the Permitted Refinancing Indebtedness and (y) an amount necessary to pay any fees and expenses, including premiums, related to such renewal, refunding, refinancing, replacement, defeasance or discharge;
- (14) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Indebtedness;
- (15) Liens on specific items of inventory or other goods (and the proceeds thereof) of any Person securing such Person’s obligations in respect of bankers’ acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;
- (16) leases, licenses, subleases and sublicenses of assets or property (including intellectual property) in the ordinary course of business;
- (17) Liens arising out of conditional sale, title retention, extended title retention, consignment or similar arrangements for the sale of assets entered into in the ordinary course of business;
- (18) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord or other third party on property over which the Borrower or any Restricted Subsidiary has easement rights or on any real property leased by the Borrower or any Restricted Subsidiary and subordination or similar agreements relating thereto and (b) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;
- (19) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;
- (20) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities;
- (21) Liens with respect to obligations that do not exceed the greater of €40.0 million and 2.0% of Consolidated Total Assets of the Borrower at any one time outstanding;
- (22) Liens (i) on escrowed proceeds for the benefit of related holders of debt securities or other Indebtedness (or the underwriter or arrangers thereof), (ii) on cash set aside at the time of the incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in escrow account or similar arrangement to be applied for such purpose, or (iii) on any guarantee or backstop commitment relating to any escrow shortfall;
- (23) Liens on assets or property of any direct or indirect Restricted Subsidiary of the Borrower that is not a Guarantor securing Indebtedness of any direct or indirect Restricted Subsidiary of the Borrower that is not a Guarantor permitted by the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock*”;
- (24) Liens on Receivables Assets incurred in connection with a Permitted Receivables Transaction; and
- (25) any amendment, modification, extension, renewal, refinancing or replacement, in whole or in part, of any Lien described in the foregoing clauses (1) through (24).

“Permitted Receivables Transaction” means any financing pursuant to which the Borrower or any Restricted Subsidiary may sell, convey or otherwise transfer to any other Person (including a Receivables Subsidiary) or grant a security interest in, any Receivables Assets in an aggregate principal amount equivalent to the Fair Market Value of such Receivables Assets of the Borrower or any Restricted Subsidiary; *provided* that (a) any covenants, events of default and other provisions applicable to such financing shall be customary for such transactions and shall be on market terms (as determined in good faith by the Borrower) at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by the Borrower’s chief financial officer or responsible accounting or financial officer) at the time such financing is entered into and (c) such financing shall be non-recourse to the Borrower or any Restricted Subsidiary except to a limited extent customary for such transactions.

“Permitted Refinancing Indebtedness” means any Indebtedness of the Borrower or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, renew, refund, refinance, replace, defease or discharge other Indebtedness of the Borrower or any of its Restricted Subsidiaries (other than intercompany Indebtedness) (including any other Permitted Refinancing Indebtedness); *provided* that:

- (1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, renewed, refunded, refinanced, replaced, defeased or discharged (which, for the avoidance of doubt, may include Indebtedness under one or more separate agreements or instruments that will be refinanced with a single agreement or instrument, as well as Indebtedness under a single agreement or instrument that will be refinanced with multiple separate agreements or instruments) (plus any accrued interest and any premium required to be paid on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith);
- (2) such Permitted Refinancing Indebtedness (a) has a final maturity date (i) later than the final maturity date of the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged or (ii) after the Stated Maturity of the Loan and (b) has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being renewed, refunded, refinanced, replaced, defeased or discharged or, alternatively, a final maturity date that is later than the Stated Maturity of the Loan;
- (3) if the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Indebtedness under the Finance Documents, such Permitted Refinancing Indebtedness is subordinated in right of

payment to the Indebtedness under the Finance Documents on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged; and

- (4) such Indebtedness is incurred by the Borrower if the Borrower is the obligor on the Indebtedness being extended, renewed, refunded, refinanced, replaced, defeased or discharged.

Permitted Refinancing Indebtedness in respect of any Credit Facility may be incurred from time to time at or after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

“Permitted Reorganization” means any amalgamation, demerger, merger, voluntary liquidation, consolidation, reorganization, winding up or corporate reconstruction involving the Borrower or any of its Restricted Subsidiaries (a “Reorganization”) that is made on a solvent basis; *provided that*:

- (1) any payments or assets distributed in connection with such Reorganization remain within the Borrower and its Restricted Subsidiaries; and
- (2) if any Capital Stock or other assets form part of the Charged Property, substantially equivalent Liens must be granted over Capital Stock or assets of the surviving Person or recipient such that they form part of the Charged Property.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“Public Market” means at any time after:

- (1) an Equity Offering has been consummated; and
- (2) at least 20% of the total issued and outstanding shares of common equity interests of the IPO Entity has been distributed to investors (other than Permitted Holders).

“Receivables Assets” means any accounts receivable and related contract rights (including any related letters of credit) customarily transferred in a receivables securitization or otherwise used to raise financing by the creditor of such receivables or revenue streams from sales of inventory subject to a Permitted Receivables Transaction.

“Replacement Assets” means properties and assets (including, without limitation, Capital Stock) that replace the properties and assets that were the subject of an Asset Sale or properties and assets that are, or will be, used in the Borrower’s business or in that of the Restricted Subsidiaries or any and all businesses that in the good faith judgment of the Board of Directors of the Borrower are reasonably related, and, in each case, any capital expenditure relating thereto.

“Restricted Investment” means an Investment other than a Permitted Investment.

“Restricted Subsidiary” of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

“Senior Secured Debt” means all Indebtedness of the Borrower or a Guarantor that is secured by a Lien on assets or property of the Borrower or a Guarantor and any Indebtedness of any Restricted Subsidiary that is not a Guarantor permitted to be incurred under the terms of this Agreement (excluding Permitted Debt incurred under clauses (6), (7), (8), (9), (11), (12), (13), (15), (16) and (18) thereof).

Notwithstanding anything to the contrary in the preceding, Senior Secured Debt will not include:

- (1) any liability for federal, state, local or other taxes owed or owing by the Borrower or any of its Restricted Subsidiaries;
- (2) any trade payables; or
- (3) Indebtedness which is classified as non-recourse in accordance with GAAP or any unsecured claim arising in respect thereof by reason of the application of any relevant bankruptcy or insolvency law, rule or regulation.

“S&P” means Standard & Poor’s Ratings Group.

“Significant Subsidiary” means any Subsidiary that, together with its Subsidiaries, (i) for the most recent fiscal year, accounted for more than 10% of the consolidated revenues of the Borrower or (ii) as of the end of the most recent fiscal year, was the owner of more than 10% of the consolidated assets of the Borrower.

“Stated Maturity” means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the documentation governing such Indebtedness, and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“Subordinated Obligations” means any Indebtedness (whether outstanding on the date of this Agreement or thereafter incurred) that is subordinated or junior in right of payment to the Indebtedness under the Finance Documents.

“Subordinated Shareholder Debt” means, collectively, any funds provided to the Borrower by an Affiliate of a Parent or a Parent in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Debt; *provided, however*, that such Subordinated Shareholder Debt:

- (1) does not (including upon the happening of any event) mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Loan (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Borrower or any funding meeting the requirements of this definition);
- (2) does not (including upon the happening of any event) require, prior to the first anniversary of the Stated Maturity of the Loan, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts;
- (3) contains no change of control or similar provisions and does not (including upon the happening of any event) accelerate and has no right (including upon the happening of any event) to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Loan;

- (4) does not provide for or require any security interest or encumbrance over any asset of the Borrower or any of its Restricted Subsidiaries and is not guaranteed by any Restricted Subsidiary of the Borrower;
- (5) pursuant to its terms, is subordinated in right of payment to the prior payment in full in cash of the Indebtedness under the Finance Documents in the event of any default, bankruptcy, reorganization, liquidation, winding up or other disposition of assets of the Borrower;
- (6) does not (including upon the happening of any event) restrict the payment of amounts due in respect of the Indebtedness under the Finance Documents or compliance by the Borrower with its obligations under this Agreement;
- (7) does not (including upon the happening of an event) constitute Voting Stock; and
- (8) is not (including upon the happening of any event) mandatorily convertible or exchangeable, or convertible or exchangeable at the option of the holder thereof; in whole or in part, prior to the Stated Maturity of the Loan, other than into or for Capital Stock (other than Disqualified Stock) of the Borrower.

“Subsidiary” means, with respect to any specified Person:

- (1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders’ agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and
- (2) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

“Transactions” means the transactions contemplated by the Acquisition Agreement, the repayment or discharge of existing indebtedness of AGZ Holding or its subsidiaries and the payment or incurrence of any fees, expenses or charges associated with the foregoing.

“Transaction Costs” means the fees and expenses incurred by the Borrower or any of its Restricted Subsidiaries in connection with the Transactions.

“Unrestricted Subsidiary” means any Subsidiary of the Borrower that is designated by the Board of Directors of the Borrower as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that such Subsidiary:

- (1) has no Indebtedness other than Non-Recourse Debt;
- (2) except as permitted by the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Transactions with Affiliates*,” is not party to any agreement, contract, arrangement or understanding with the Borrower or any Restricted Subsidiary of the Borrower unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Borrower or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Borrower;
- (3) is a Person with respect to which neither the Borrower nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person’s financial condition or to cause such Person to achieve any specified levels of operating results; and
- (4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Borrower or any of its Restricted Subsidiaries,

except (i) that the Borrower or any Restricted Subsidiaries may pledge Equity Interests or Indebtedness of an Unrestricted Subsidiary on a non-recourse basis as long as the pledge has no claim whatsoever against the Borrower, Guarantor or any Restricted Subsidiary other than to obtain such pledged property and (ii) to the extent that Indebtedness of the Borrower or any Restricted Subsidiary was permitted to be incurred under the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock*.”

“U.S. Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended.

“U.S. Securities Act” means the U.S. Securities Act of 1933, as amended.

“Voting Stock” of any specified Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by
- (2) the then outstanding principal amount of such Indebtedness.

Part II General Undertakings and Mandatory Offers

Additional Intercreditor Agreements

At the written request of the Borrower, without the consent of the Lenders, and at the time of, or prior to, the incurrence by the Borrower or its Restricted Subsidiaries of any (1) Senior Secured Debt permitted to be incurred pursuant to the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock*” or (2) any Indebtedness the proceeds of which are used, in whole or in part, to refinance the Loan or Senior Secured Debt, the Borrower, the relevant Restricted Subsidiaries, the Agent and the Security Agent or any other relevant creditor representative or collateral agent shall enter into with the holders of such Indebtedness (or their duly authorized representatives) a new intercreditor agreement or a restatement, amendment or other modification of the existing Intercreditor Agreement (an “Additional Intercreditor Agreement”) on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the Lenders), including containing substantially the

same terms with respect to release of Loan Guarantees, if any, and priority and release of any Permitted Collateral Liens from time to time; *provided, however*, that such Additional Intercreditor Agreement will not impose any personal obligations on the Agent or the Security Agent or adversely affect the rights, duties, liabilities or immunities of the Agent or Security Agent.

At the written direction of the Borrower and without the consent of the Lenders, the Agent and the Security Agent shall, from time to time, enter into one or more amendments to any Intercreditor Agreement or Additional Intercreditor Agreement to: (1) cure any ambiguity, omission, defect or inconsistency of any such agreement of a minor, technical or administrative nature, (2) increase the amount or types of Indebtedness covered by any such agreement that may be incurred by the Borrower or any Restricted Subsidiary that is subject to any such agreement (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Indebtedness under the Finance Documents; *provided* that such amendment is consistent with the preceding paragraph), (3) add Restricted Subsidiaries to the Intercreditor Agreement or Additional Intercreditor Agreement, (4) implement any Permitted Collateral Liens, (5) amend the Intercreditor Agreement or Additional Intercreditor Agreement in accordance with the terms thereof or (6) make any other change to any such agreement that does not adversely affect the rights of the Lenders in any material respect. The Borrower shall not otherwise direct the Agent or the Security Agent to enter into any amendment to any Intercreditor Agreement or Additional Intercreditor Agreement without the consent of the Majority Lenders, except as otherwise permitted by this Agreement, and the Borrower may only direct the Agent and the Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Agent or Security Agent or adversely affect their respective rights, duties, liabilities or immunities under the Finance Documents or the Intercreditor Agreement or Additional Intercreditor Agreement.

Each Lender shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement and any amendment, restatement or other modification referred to in the preceding paragraphs (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have directed the Agent and the Security Agent and any other relevant creditor representative or collateral agent to enter into any such Intercreditor Agreement or Additional Intercreditor Agreement.

Asset Sales

The Borrower will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

- (1) the Borrower (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets, rights or Equity Interests issued or sold or otherwise disposed of; and
- (2) at least 75% of the consideration received in the Asset Sale by the Borrower or such Restricted Subsidiary is in the form of cash, Cash Equivalents or Government Guaranteed Securities. For purposes of this provision, each of the following will be deemed to be cash:
 - (a) any liabilities, as shown on the Borrower's most recent consolidated balance sheet, of the Borrower or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Indebtedness under the Finance Documents) that are assumed by the transferee of any such assets and as a result of which the Borrower or such Restricted Subsidiary is released from further liability or is indemnified against any further liability in connection therewith;
 - (b) any securities, notes or other obligations received by the Borrower or any such Restricted Subsidiary from such transferee that are within 180 days, subject to ordinary settlement periods, converted by the Borrower or such Restricted Subsidiary into cash or Cash Equivalents, to the extent of the cash or Cash Equivalents received in that conversion;
 - (c) any Replacement Assets;
 - (d) any Designated Non-Cash Consideration;
 - (e) Indebtedness of any Restricted Subsidiary of the Borrower that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Borrower and each other Restricted Subsidiary are released from any guarantee of such Indebtedness in connection with such Asset Sale; and
 - (f) Indebtedness of the Borrower or of any Restricted Subsidiary (other than Indebtedness that is by its terms subordinated to the Indebtedness under the Finance Documents) received from Persons who are not the Borrower or any Restricted Subsidiary.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Borrower (or the applicable Restricted Subsidiary, as the case may be) may:

- (1) apply such Net Proceeds, at its option:
 - (a) (i) to prepay or repay amounts outstanding under the Loan pursuant to an offer made on a *pro rata* basis to all of the Lenders at a repayment price equal to not less than 100% of the principal amount thereof or (ii) upon the earlier of the Initial Maturity Date and the occurrence of a Full Takeout Demand Failure, to make an offer pursuant to the preceding sub-clause (a)(i) and a substantially equivalent offer on a *pro rata* basis to holders of other *Pari Passu* Indebtedness;
 - (b) to the extent any Restricted Subsidiary of the Borrower is required by the terms of any Indebtedness of such Restricted Subsidiary, to prepay, repay, purchase or redeem any Indebtedness of a Restricted Subsidiary of the Borrower that is not a Guarantor (in each case other than Indebtedness owed to the Borrower or any Restricted Subsidiary); or
 - (c) to invest in Replacement Assets,

provided, however, that, if the assets disposed of constitute Charged Property or constitute all or substantially all of the assets of a Restricted Subsidiary whose Capital Stock has been pledged as Charged Property, the Borrower shall pledge or shall cause the applicable Restricted Subsidiary to pledge any Capital Stock or assets (to the extent such assets were of a category of assets included in the Charged Property as of the date of the Asset Sale) that were acquired with the Net Proceeds of an Asset Sale in accordance with this covenant to secure the Indebtedness under the Finance Documents on a first-priority basis;

- (2) enter into a binding commitment to apply the Net Proceeds pursuant to clause (c) of clause (1) above, *provided* that such binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment until the earlier of (x) the date on which such investment is consummated and (y) the 180th day following the expiration of the aforementioned 365-day period; or

- (3) any combination of the foregoing.

Pending the final application of any Net Proceeds, the Borrower or any applicable Restricted Subsidiary may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by this Agreement.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this covenant will constitute “Excess Proceeds.” When the aggregate amount of Excess Proceeds exceeds €20.0 million (or its equivalent in another currency), within 30 days thereof, the Borrower will make an offer (an “Asset Sale Offer”) to (x) all Lenders and (y) upon the earlier of the Initial Maturity Date and the occurrence of a Full Takeout Demand Failure, at the Borrower’s election, to holders of Pari Passu Indebtedness containing provisions similar to those set forth in this covenant with respect to offers to purchase, prepayments, redemptions or repayments with the proceeds of sales of assets to prepay or purchase the maximum principal amount of the Loan and, if applicable, such other Pari Passu Indebtedness that may be prepaid out of the Excess Proceeds. The offer price in any Asset Sale Offer in respect of the Loan will be equal to 100% of the principal amount of the Loan and, in the case of Pari Passu Indebtedness, not greater than the principal amount thereof, plus, in each case, accrued and unpaid interest to the date of prepayment or purchase in accordance with this Agreement or the agreements governing such Pari Passu Indebtedness, as applicable. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Borrower may use those Excess Proceeds for any purpose not otherwise prohibited by this Agreement. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

The Asset Sale Offer will remain open for a period of not less than 20 Business Days following its commencement (the “Asset Sale Offer Period”). No later than five Business Days after the termination of the Asset Sale Offer period (the “Asset Sale Purchase Date”) the Borrower will purchase the principal amount of the Loan and to the extent the Borrower elects, Pari Passu Indebtedness required to be purchased by it pursuant to this covenant, or if less than the Asset Sale Offer Amount has been so validly tendered, the Loan and Pari Passu Indebtedness validly tendered in response to the Asset Sale Offer.

Changes in Covenants when Loan Rated Investment Grade

If on any date subsequent to the earlier of the Initial Maturity Date and the occurrence of a Full Takeout Demand Failure:

- (1) the Loan is rated has achieved Investment Grade Status; and
- (2) no Default or Event of Default shall have occurred and be continuing,

then, beginning on such date and subject to the provisions of the following paragraph, the covenants set forth under the following will also be suspended:

- (1) “—Part II (General Undertakings and Mandatory Offers)—Restricted Payments;”
- (2) “—Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock;”
- (3) “—Part II (General Undertakings and Mandatory Offers)—Dividend and Other Payment Restrictions Affecting Subsidiaries;”
- (4) “—Part II (General Undertakings and Mandatory Offers)—Designation of Restricted and Unrestricted Subsidiaries;”
- (5) “—Part II (General Undertakings and Mandatory Offers)—Transactions with Affiliates;” and
- (6) clause (4) of the covenant set forth under “—Part II (General Undertakings and Mandatory Offers)—Merger, Consolidation or Sale of Assets.”

The Borrower will notify the Agent in writing that the foregoing covenants have been suspended, *provided* that such notification shall not be a condition for the suspension of the covenants set forth above to be effective; *provided, further*, that the Agent shall be under no obligation to inform the Lenders that the foregoing covenants have been suspended. During any period that the foregoing covenants have been suspended (such period the “Suspension Period”), the Borrower’s Board of Directors may not designate any of its Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant set forth under “—Part II (General Undertakings and Mandatory Offers)—Designation of Restricted and Unrestricted Subsidiaries” or the second paragraph of the definition of “Unrestricted Subsidiary.”

Notwithstanding the foregoing, if on any subsequent date (the “Reinstatement Date”), the Loan ceases to have Investment Grade Status, the foregoing covenants will be reinstated as of and from the date of such rating decline; *provided* that (i) with respect to Restricted Payments made after such reinstatement, the amount available to be made as Restricted Payments will be calculated as though the covenant set forth under “—Part II (General Undertakings and Mandatory Offers)—Restricted Payments” had been in effect prior to, but not during, the Suspension Period; (ii) all Indebtedness incurred, or Disqualified Stock issued, during the Suspension Period will be deemed to have been incurred or issued pursuant to clause (2) of the second paragraph of “—Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock;” (iii) any transactions with Affiliates entered into after such reinstatement pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (12) of the second paragraph of the covenant set forth under “—Part II (General Undertakings and Mandatory Offers)—Transactions with Affiliates;” and (iv) any encumbrance or restriction on the ability of any Restricted Subsidiary that is not a Guarantor to take any action described in clauses (1) through (3) of the first paragraph of the covenant set forth under “—Part II (General Undertakings and Mandatory Offers)—Dividend and Other Payment Restrictions Affecting Subsidiaries” that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (1) of the second paragraph of the covenant set forth under “—Part II (General Undertakings and Mandatory Offers)—Dividend and Other Payment Restrictions Affecting Subsidiaries.”

For the avoidance of doubt, the Borrower and any Restricted Subsidiary will be permitted, without causing a Default or Event of Default or breach of any kind under this Agreement, to honor, comply with or otherwise perform any contractual commitments or obligations entered into during a Suspension Period and to consummate the transactions contemplated thereby; *provided, however*, that (a) the Borrower and its Subsidiaries did not incur or otherwise enter into such contractual commitments or obligations in contemplation of the Suspension Period ending and (b) the Borrower reasonably believed that such incurrence or actions would not result in the of the Suspension Period ending. For purposes of clauses (a) and (b) in the preceding sentence, anticipation and reasonable belief shall be as determined in good faith by a responsible accounting or financial officer of the Borrower.

Restricted Payments

The Borrower will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:

- (1) declare or pay any dividend or make any other payment or distribution on account of the Borrower’s or any of its Restricted Subsidiaries’ Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Borrower’s or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Borrower’s or any of its Restricted Subsidiaries’ Equity Interests in their capacity as such on account of such Equity Interests (other than dividends or distributions

payable in Equity Interests (other than Disqualified Stock) of the Borrower or in the form of Subordinated Shareholder Debt and other than dividends or distributions payable to the Borrower or a Restricted Subsidiary of the Borrower);

- (2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Borrower) any Equity Interests of the Borrower or any direct or indirect parent of the Borrower (other than in exchange for Equity Interests of the Borrower (other than Disqualified Stock) or Subordinated Shareholder Debt);
- (3) make any principal payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, prior to the scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Obligations of the Borrower (excluding (i) any intercompany Indebtedness between or among the Borrower and any of its Restricted Subsidiaries and (ii) the purchase, repurchase, redemption, acquisition or retirement of Subordinated Obligations acquired in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case due within one year of the date of the purchase, repurchase, redemption, acquisition or retirement);
- (4) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Subordinated Shareholder Debt (other than non-cash interest payable in Equity Interests (other than Disqualified Stock) of the Borrower or any payment in the form of additional Subordinated Shareholder Debt); or
- (5) make any Restricted Investment,

(all such payments and other actions set forth in the foregoing clauses (1) through (5) being collectively referred to as “Restricted Payments”), unless such Restricted Payment is made subsequent to the earlier of the Initial Maturity Date and the occurrence of a Full Takeout Demand Failure, and at the time of and after giving *pro forma* effect to such Restricted Payment:

- (1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;
- (2) the Borrower would, at the time of such Restricted Payment and after giving *pro forma* effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant set forth under “—Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock”; and
- (3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Borrower and its Restricted Subsidiaries since the date of this Agreement (excluding Restricted Payments permitted by clauses (2), (3), (4), (6), (7), (11) and (13) of the next succeeding paragraph), is less than the sum, without duplication, of:
 - (a) 50% of the Consolidated Net Income of the Borrower for the period (taken as one accounting period) from the first day of the fiscal quarter commencing immediately prior to the Closing Date to the end of the Borrower’s most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); *plus*
 - (b) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities or other property received by the Borrower subsequent to the Closing Date as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Borrower (other than Disqualified Stock) or Subordinated Shareholder Debt or from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Borrower that have been converted into or exchanged for such Equity Interests or Subordinated Shareholder Debt (other than (x) Equity Interests (or Disqualified Stock or debt securities) sold to a Subsidiary of the Borrower) or (y) Excluded Contributions; *plus*
 - (c) to the extent that any Restricted Investment that was (i) made subsequent to the Closing Date is sold or otherwise disposed of or otherwise cancelled, liquidated or repaid, 100% of the aggregate amount received in cash and of the Fair Market Value of the marketable securities and other property received or (ii) made in an entity that subsequently becomes a Restricted Subsidiary (or is merged or consolidated with or into the Borrower or a Restricted Subsidiary), 100% of the Fair Market Value of the Restricted Investment of the Borrower and its Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary (or is so merged or consolidated) or (iii) a guarantee made by the Borrower or one of its Restricted Subsidiaries to any Person, upon the full and unconditional release of such Restricted Investment, an amount equal to the amount of such guarantee; *plus*
 - (d) to the extent that any Unrestricted Subsidiary of the Borrower designated as such subsequent to the Closing Date is redesignated as a Restricted Subsidiary after such date, or has been merged or consolidated with or into, or transfers or conveys its assets to, the Borrower or a Restricted Subsidiary of the Borrower, 100% of the Fair Market Value of the Borrower’s Investment in such Subsidiary as of the date of such redesignation, combination or transfer (or of the assets transferred or conveyed, as applicable); *plus*
 - (e) the amount by which Indebtedness of the Borrower or a Restricted Subsidiary is reduced on the Borrower’s consolidated balance sheet upon the conversion or exchange (other than by the Borrower or its Restricted Subsidiary) of such Indebtedness for Equity Interests (other than Disqualified Stock) of the Borrower or Subordinated Shareholder Debt (less the amount of any cash, and the Fair Market Value of any other property, received or distributed by the Borrower or any Restricted Subsidiary on any such conversion or exchange); *plus*
 - (f) 100% of the Fair Market Value of any dividends, distributions or payments received by the Borrower or a Restricted Subsidiary of the Borrower subsequent to the Closing Date from an Unrestricted Subsidiary of the Borrower or from a Person in which the Borrower or a Restricted Subsidiary of the Borrower has a Restricted Investment to the extent that such dividends, distributions or payments were not otherwise included in the Consolidated Net Income of the Borrower for such period.

The preceding provisions will not prohibit:

- (1) the payment of any dividend or distribution or the consummation of any redemption within 60 days after the date of declaration of the dividend or distribution or giving of the redemption notice, as the case may be, if at the date of declaration or notice, the dividend or distribution or redemption payment would have complied with the provisions of this Agreement;

- (2) the making of any Restricted Payment in exchange for (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares or scrip), or out of the net cash proceeds of the substantially concurrent sale or issuance (other than to a Subsidiary of the Borrower) of, Equity Interests of the Borrower (other than Disqualified Stock or an Excluded Contribution) or Subordinated Shareholder Debt or from the substantially concurrent contribution of such proceeds to the common equity capital to the Borrower; *provided* that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clause (3)(b) of the preceding paragraph;
- (3) the repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Borrower that is contractually subordinated to the Indebtedness under the Finance Documents in exchange for or with the net cash proceeds from a substantially concurrent incurrence of Permitted Refinancing Indebtedness;
- (4) the declaration or payment of any dividend or the making of any payment or distribution by a Restricted Subsidiary of the Borrower to the holders of its Equity Interests other than the Borrower or another Restricted Subsidiary on a no more than *pro rata* basis;
- (5) so long as no Default has occurred and is continuing or would be caused thereby, the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Borrower or any Restricted Subsidiary of the Borrower, or distribution to enable such repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Borrower or any Parent or Restricted Subsidiary of the Borrower, held directly or indirectly by any current or former officer, director, consultant or employee of the Borrower or any Parent or Restricted Subsidiary of the Borrower (or permitted transferees of such current or former officers, directors, consultants or employees); *provided* that the aggregate price paid for all such repurchased, redeemed, acquired or retired Equity Interests may not exceed €5.0 million in any 12-month period (with any unused portion carried over to the next 12-month period); *provided, further*, that such amount in any one-year period may be increased by an amount not to exceed the cash proceeds received by the Borrower or a Restricted Subsidiary during such period from the sale of Equity Interests of the Borrower or a Restricted Subsidiary in each case to members of management or directors or consultants of the Borrower or any Restricted Subsidiary or any Parent of the Borrower to the extent the cash proceeds from the sale of Equity Interests have not otherwise been applied to the making of Restricted Payments pursuant to clause (3)(b) of the preceding paragraph or clauses (2) or (8) of this paragraph;
- (6) the repurchase of Equity Interests deemed to occur upon the exercise of stock options or warrants to the extent such Equity Interests represent a portion of the exercise price of those stock options or warrants;
- (7) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Borrower or any preferred stock of any Restricted Subsidiary of the Borrower issued on or after the date of this Agreement in accordance with the Fixed Charge Coverage Ratio test set forth in the covenant under “—*Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock*”;
- (8) upon the earlier of the Initial Maturity Date and the occurrence of a Full Takeout Demand Failure, so long as no Default has occurred and is continuing or would be caused thereby, following an Initial Public Offering, the declaration and payment by the Borrower of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the Capital Stock of the Borrower or any Parent, in an amount not to exceed in any fiscal year the greater of (a) 6% of the net cash proceeds received by the Borrower from such Initial Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock) of the Borrower and (b) an amount equal to the greater of (i) 7% of the Market Capitalization (provided that after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio would not exceed 2.25 to 1.0) and (ii) either (A) 7% of the IPO Market Capitalization (provided that after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio would not exceed 2.25 to 1.0) or (B) 5% of the IPO Market Capitalization (provided that after giving pro forma effect to such loans, advances, dividends or distributions, the Consolidated Leverage Ratio would not exceed 2.75 to 1.0);
- (9) [Reserved];
- (10) subsequent to the earlier of the Initial Maturity Date and the occurrence of a Full Takeout Demand Failure, and so long as no Default has occurred and is continuing or would be caused thereby, (A) other Restricted Payments in an aggregate amount not to exceed the greater of €60.0 million and 3.0% of Consolidated Total Assets and (B) any Restricted Payments; *provided* that, in the case of clause (B) only, the Consolidated Leverage Ratio of the Borrower does not exceed 2.5 to 1.0 on a *pro forma* basis after giving effect to any such Restricted Payments;
- (11) any payments to minority shareholders as required by law or regulation pursuant to or in contemplation of a merger or consolidation involving the Borrower or any of its Restricted Subsidiaries that does not violate the provisions of the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Merger, Consolidation or Sale of Assets*”;
- (12) payments of cash, dividends, distributions, advances or other Restricted Payments by the Borrower or any Restricted Subsidiary to allow the payment of cash in lieu of the issuance of fractional shares upon (x) the exercise of options or warrants or (y) the conversion or exchange of Capital Stock of any such Person;
- (13) payments or other transactions pursuant to any tax sharing agreement or arrangement among the Borrower or any of its Restricted Subsidiaries and any other Person with which the Borrower or any of its Restricted Subsidiaries files or filed a consolidated tax return or with which the Borrower or any of its Restricted Subsidiaries is or was part of a consolidated group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation in amounts not otherwise prohibited by this Agreement; *provided, however*, that such payments, and the value of such transactions, shall not exceed the amount of tax that the Borrower or such Restricted Subsidiaries would owe without taking into account such other Person; and *provided, further*, that such payments shall be paid over to the appropriate taxing authority within 30 days of receipt; and
- (14) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments in exchange for or using as consideration Investments previously made under this clause (14).

The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Borrower or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The Fair Market Value of any assets or securities in excess of €12.5 million that are required to be valued by this covenant will be determined by the Board of Directors of the Borrower whose resolution with respect thereto will be delivered to the Agent. For the avoidance of doubt, the Agent shall have no obligation to determine the Fair Market Value of any assets or securities.

Incurrence of Indebtedness and Issuance of Preferred Stock

The Borrower will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, “incur”) any Indebtedness (including Acquired Debt), and the Borrower will not issue any Disqualified Stock and will not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; *provided, however*, that subsequent to the earlier of the Initial Maturity Date and the occurrence of a Full Takeout Demand Failure:

- (a) the Borrower and any Guarantor may incur Indebtedness other than Senior Secured Debt (including Acquired Debt) or issue Disqualified Stock if the Fixed Charge Coverage Ratio for the Borrower’s most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or such Disqualified Stock is issued, as the case may be, would have been at least 2.0 to 1.0, determined on a *pro forma* basis (including the *pro forma* application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or the Disqualified Stock had been issued, as the case may be, at the beginning of such four-quarter period; and
- (b) the Borrower and any Guarantor may incur Senior Secured Debt (including Acquired Debt and preferred stock issued by Restricted Subsidiaries) if, in addition to compliance with the ratio set forth in clause (a), the Consolidated Senior Secured Leverage Ratio for the Borrower’s most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Senior Secured Debt is incurred would have been less than 3.0 to 1.0, determined on a *pro forma* basis (including the *pro forma* application of the net proceeds therefrom), as if such additional Senior Secured Debt had been incurred at the beginning of such four-quarter period.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Indebtedness (collectively, “Permitted Debt”):

- (1) the incurrence by the Borrower and any Restricted Subsidiary of Indebtedness and letters of credit under Credit Facilities in an aggregate principal amount at any one time outstanding under this clause (1) not to exceed €150 million, plus, in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses (including fees and commissions paid as discounts) incurred in connection with such refinancing;
- (2) the incurrence by the Borrower and its Restricted Subsidiaries of the Existing Indebtedness (other than Indebtedness incurred under clause (1) or clause (3) of this paragraph);
- (3) Indebtedness under the Finance Documents;
- (4) the incurrence by the Borrower or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations or other Indebtedness or preferred stock, in each case, incurred for the purpose of financing or refinancing all or any part of the purchase price or cost of acquisition, design, development, construction, lease, installation, transportation or improvement of property (real or personal), plant or equipment that is used or useful in the business of the Borrower or any of its Restricted Subsidiaries (each, a “Productive Asset Financing”) (including Equity Interests of any Person owning such assets) (including any reasonable related fees or expenses incurred in connection therewith), in an aggregate principal amount at any one time outstanding not to exceed the greater of (i) €60.0 million and (ii) 3.0% of Consolidated Total Assets of the Borrower;
- (5) the incurrence by the Borrower or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness) that was permitted by this Agreement to be incurred under the first paragraph of this covenant or clauses (2), (3), (5) or (14) of this paragraph;
- (6) the incurrence by the Borrower or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Borrower and any of its Restricted Subsidiaries; *provided, however*, that:
 - (a) (i) except in respect of current liabilities incurred in the ordinary course of business in connection with cash management operations and (ii) only to the extent legally permitted, if the Borrower or a Guarantor is the obligor on such Indebtedness and the payee is not the Borrower or a Guarantor, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Indebtedness under the Finance Documents, in the case of the Borrower, or the applicable guarantee of such Indebtedness under the Finance Documents, in the case of a Guarantor; and
 - (b) (i) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other than the Borrower or a Restricted Subsidiary of the Borrower and (ii) any sale or other transfer of any such Indebtedness to a Person that is not either the Borrower or a Restricted Subsidiary of the Borrower, will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Borrower or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (6);
- (7) the issuance by any of the Borrower’s Restricted Subsidiaries to the Borrower or to any of its Restricted Subsidiaries of shares of preferred stock; *provided, however*, that:
 - (a) any subsequent issuance or transfer of Equity Interests that results in any such preferred stock being held by a Person other than the Borrower or a Restricted Subsidiary of the Borrower; and
 - (b) any sale or other transfer of any such preferred stock to a Person that is not either the Borrower or a Restricted Subsidiary of the Borrower, will be deemed, in each case, to constitute an issuance of such preferred stock by such Restricted Subsidiary that was not permitted by this clause (7);
- (8) the incurrence by the Borrower or any of its Restricted Subsidiaries of Hedging Obligations in the ordinary course of business and not for speculative purposes;
- (9) the guarantee by the Borrower or a Restricted Subsidiary of Indebtedness of the Borrower or any of its Restricted Subsidiaries so long as the incurrence of such Indebtedness by the Borrower or such Restricted Subsidiary is permitted under the terms of this Agreement;
- (10) guarantees by the Borrower or a Restricted Subsidiary of the Borrower of Indebtedness arising pursuant to terms requiring such

Indebtedness to be guaranteed if the Indebtedness under the Finance Documents is also guaranteed by the same Restricted Subsidiary on a senior or *pari passu* basis;

- (11) the incurrence by the Borrower or any of its Restricted Subsidiaries of Indebtedness in respect of workers' compensation claims, payment obligations in connection with health or other types of social security benefits, unemployment or other insurance or self-insurance obligations, statutory obligations, bankers' acceptances, export, import, customs, VAT and other tax guarantees, performance and bid, reclamation, remediation, completion, surety, appeal or similar bonds or performance guarantees in the ordinary course of business or consistent with past practice;
- (12) Indebtedness constituting reimbursement obligations with respect to letters of credit, bankers' acceptances or similar instruments or obligations issued in the ordinary course of business, *provided* that upon the drawing or other funding of such letters of credit or other instruments or obligations, such drawings or fundings are reimbursed within five Business Days;
- (13) the incurrence by the Borrower or any of its Restricted Subsidiaries of Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds, so long as such Indebtedness is extinguished within five Business Days;
- (14) subsequent to the earlier of the Initial Maturity Date and the occurrence of a Full Takeout Demand Failure, Indebtedness of any Person outstanding on the date on which such Person becomes a Restricted Subsidiary of the Borrower or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Borrower or any Restricted Subsidiary so long as the Borrower would have been able to incur €1.00 of additional Indebtedness pursuant to clause (a) of the first paragraph of this covenant after giving pro forma effect to the incurrence of such Indebtedness pursuant to this clause (14) or the Fixed Charge Coverage Ratio would be no less than it was immediately prior to the incurrence of such Indebtedness pursuant to this clause (14);
- (15) the incurrence by the Borrower and its Restricted Subsidiaries of Indebtedness arising from agreements of the Borrower or a Restricted Subsidiary providing for indemnification, earnouts, adjustments of purchase price, guarantees or, in each case, similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Equity Interests of a Subsidiary in accordance with the terms of this Agreement, other than guarantees of Indebtedness incurred or assumed by any Person acquiring all or any portion of such business, assets or Equity Interests of a Subsidiary for the purpose of financing such acquisition;
- (16) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;
- (17) subsequent to the earlier of the Initial Maturity Date and the occurrence of a Full Takeout Demand Failure, the incurrence by the Borrower or any of its Restricted Subsidiaries of additional Indebtedness or the issuance by any Restricted Subsidiary that is not a Guarantor of preferred stock in an aggregate principal amount (or accreted value, as applicable) or having an aggregate liquidation preference at any time outstanding incurred pursuant to this clause (17), not to exceed the greater of €40.0 million and 2.0% of Consolidated Total Assets; *provided* that the aggregate principal amount of Indebtedness incurred or preferred stock issued under this clause (17) by Restricted Subsidiaries that are not Guarantors shall not exceed €12.5 million at any time outstanding.
- (18) any customary cash management, cash pooling or netting or setting off arrangements in the ordinary course of business;
- (19) Indebtedness of the Borrower in an aggregate outstanding principal amount (or accreted value, as applicable) at any time outstanding, not to exceed 100% of the Net Proceeds received by the Borrower from the issuance or sale (other than to a Subsidiary) of its Capital Stock (other than Disqualified Stock or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or an Excluded Contribution) of the Borrower or from the issuance or sale (other than to a Subsidiary) of Subordinated Shareholder Debt, in each case, subsequent to the earlier of the Initial Maturity Date and the occurrence of a Full Takeout Demand Failure; *provided, however*, that (i) any such Net Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clause (2), the second proviso to clause (5) and clause (8) of the second paragraph of the covenant set forth under “—*Restricted Payments*” to the extent the Borrower incurs Indebtedness in reliance thereon; and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of incurring Indebtedness pursuant to this clause (19) to the extent the Borrower or any of its Restricted Subsidiaries makes a Restricted Payment under the first paragraph or clause (2), the second proviso to clause (5) or clause (8) of the second paragraph of the covenant set forth under “—*Restricted Payments*” in reliance thereon;
- (20) Indebtedness of the Borrower or any Restricted Subsidiary in respect of Management Advances; and
- (21) Indebtedness incurred by the Borrower or a Restricted Subsidiary in a Permitted Receivables Transaction.

For purposes of determining compliance with this “Incurrence of Indebtedness and Issuance of Preferred Stock” covenant, in the event that an item of proposed Indebtedness or preferred stock meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (21) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Borrower will be permitted, in its sole discretion, to classify such item of Indebtedness or preferred stock on the date of its incurrence and will only be required to include the amount and type of such Indebtedness or preferred stock in one of the above clauses, although the Borrower may, in its sole discretion, divide and classify an item of Indebtedness or preferred stock in one or more of the types of Indebtedness or preferred stock and may later reclassify all or a portion of such item of Indebtedness or preferred stock in any manner that complies with this covenant; except that Indebtedness incurred under clause (1) of the definition of Permitted Debt above may not be reclassified. The accrual of interest or dividends, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock or preferred stock in the form of additional shares of the same class of Disqualified Stock or preferred stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Stock for purposes of this covenant; *provided*, in each such case, that the amount of any such accrual, accretion or payment is included in Fixed Charges of the Borrower as accrued. Notwithstanding any other provision of this covenant (including pursuant to any Permitted Refinancing Indebtedness permitted pursuant to this covenant), the maximum amount of Indebtedness that the Borrower or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

For purposes of determining compliance with any euro-denominated restriction on the incurrence of Indebtedness, the Euro Equivalent of the principal amount of Indebtedness denominated in another currency will be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term Indebtedness, or first committed, in the case of Indebtedness incurred under a revolving credit facility; *provided that* (1) if such Indebtedness is incurred to refinance other Indebtedness denominated in a currency other than euros, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction will be deemed not to have been exceeded so long as the principal amount of such Permitted Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced; (2) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the date of this Agreement will be calculated based on the relevant currency exchange rate in effect on the date of this Agreement; and (3) if and for so long as any such Indebtedness is subject to an agreement intended to protect against fluctuations in currency exchange rates with respect to the currency in which such Indebtedness is denominated covering principal and interest on such Indebtedness, the amount of such Indebtedness, if denominated other than in euros, will be the amount of the principal payment required to be made under such currency agreement and, otherwise, the Euro Equivalent of such amount plus the Euro Equivalent of any premium which is at such time due and payable but is not covered by such currency agreement.

The amount of any Indebtedness outstanding as of any date will be:

- (1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;
- (2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and
- (3) in the case of Hedging Obligations, the net amount payable if such Hedging Obligations were terminated at that time due to default by such Person (after giving effect to any contractually permitted set-off);
- (4) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:
 - (a) the Fair Market Value of such assets at the date of determination; and
 - (b) the amount of the Indebtedness of the other Person; and
- (5) the principal amount of any Disqualified Stock of the Borrower or Preferred Stock of a Restricted Subsidiary will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof.

Limitation on Issuances of Guarantees of Indebtedness

The Borrower will not permit any of its Restricted Subsidiaries, directly or indirectly, to Guarantee any other Indebtedness of the Borrower or a Guarantor (if any) (other than Indebtedness incurred pursuant to clause (17) of the definition of Permitted Debt) unless such Restricted Subsidiary simultaneously executes and delivers an accession deed providing for the Loan Guarantee by such Restricted Subsidiary, which Loan Guarantee will be senior to or *pari passu* with such Restricted Subsidiary's Guarantee of such other Indebtedness.

The first paragraph of this covenant will not be applicable to any guarantees of any Restricted Subsidiary:

- (1) that existed at the time such Person became a Restricted Subsidiary if the guarantee was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary; or
- (2) arising solely due to the granting of a Permitted Lien that would not otherwise constitute a guarantee of Indebtedness of the Borrower.

No Loan Guarantee shall be required if such Loan Guarantee could reasonably be expected to give rise to or result in (A) personal liability for the officers, directors or shareholders of the Borrower or such Restricted Subsidiary, (B) any violation of applicable law that cannot be avoided or otherwise prevented through measures reasonably available to the Borrower or such Restricted Subsidiary, including, for the avoidance of doubt, "whitewash" or similar procedures or (C) any significant cost, expense, liability or obligation (including with respect of any Taxes) other than reasonable out-of-pocket expenses and other than reasonable expenses incurred in connection with any governmental or regulatory filings required as a result of, or any measures pursuant to clause (B) undertaken in connection with, such Loan Guarantee, which cannot be avoided through measures reasonably available to the Borrower or the Restricted Subsidiary.

The Loan Guarantee of a Guarantor will automatically and unconditionally be released:

(1) in connection with any sale, disposition or transfer of all or substantially all of the assets of that Guarantor or a Parent of that Guarantor other than the Borrower (including by way of merger, amalgamation, combination or consolidation) to a Person that is not (either before or after giving effect to such transaction) the Borrower or a Restricted Subsidiary of the Borrower, if the sale or other disposition does not violate the covenant set forth under "*—Part II (General Undertakings and Mandatory Offers)—Asset Sales*";

(2) in connection with any sale, disposition or transfer of all of the Capital Stock of that Guarantor (or Capital Stock of a Parent of the relevant Guarantor) to a Person that is not (either before or after giving effect to such transaction) the Borrower or a Restricted Subsidiary of the Borrower or a direct or indirect Parent of the Borrower, if the sale or other disposition does not violate the covenant set forth under "*—Part II (General Undertakings and Mandatory Offers)—Asset Sales*";

(3) if the Borrower designates any Restricted Subsidiary that is a Guarantor (or designates a Parent of such Guarantor) to be an Unrestricted Subsidiary in accordance with the applicable provisions of this Agreement;

(4) upon repayment in full of the Loan;

(5) as provided pursuant to clause 36.3 (*All Lender matters*) of this Agreement; or

(6) in the case of any Restricted Subsidiary that after the date of this Agreement is required to provide a Guarantee pursuant to the first paragraph of the covenant set forth under "*—Part II (General Undertakings and Mandatory Offers)—Limitation on Issuances of Guarantees of Indebtedness*," upon the release or discharge of the guarantee of Indebtedness by such Restricted Subsidiary which resulted in the obligation to provide such Guarantee so long as no other Indebtedness is at that time guaranteed by the relevant Restricted Subsidiary that would result in the requirement that such Guarantor provide a

Guarantee pursuant to the covenant set forth under “—Part II (General Undertakings and Mandatory Offers)—Limitation on Issuances of Guarantees of Indebtedness.”

Upon any release of a Loan Guarantee contemplated under this “—Part II (General Undertakings and Mandatory Offers)—Limitations on Guarantees of Indebtedness by Restricted Subsidiaries” section, the Agent shall execute any documents reasonably required in order to evidence such release, discharge and termination in respect of such Loan Guarantee.

Each Loan Guarantee provided pursuant to the provisions of this covenant will be limited to the maximum amount that can be guaranteed by such Guarantor without rendering such Guarantee void, voidable or unenforceable under applicable law or as otherwise necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, corporate benefit, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law, including the liability of directors and officers.

Limitation on Liens

The Borrower will not and will not permit any of the Restricted Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien of any kind securing Indebtedness of the Borrower or any Restricted Subsidiary of the Borrower upon any of their property or assets, now owned or hereafter acquired, except (1) in the case of any property or asset that does not constitute Charged Property (a) Permitted Liens, or (b) if such Lien (the “Initial Lien”) is not a Permitted Lien, to the extent that all Indebtedness due under the Finance Documents is secured on an equal and ratable basis (or in the case of Indebtedness which is subordinated in right of payment to the Indebtedness under the Finance Documents, prior or senior thereto with the same relative priority as the Indebtedness under the Finance Documents shall have with respect to such subordinated Indebtedness) with the obligations so secured and (2) in the case of any property or asset that constitutes Charged Property, Permitted Collateral Liens.

The Borrower will not, and will not cause or permit any of its Restricted Subsidiaries to, incur any Indebtedness that is secured by a Lien upon any of the Permitted Holders’ respective Equity Interests in the Borrower, now owned or hereafter acquired, except for Liens securing the Indebtedness under the Finance Documents on a first-priority basis and (if the Indebtedness under the Finance Documents are so secured) other Permitted Collateral Liens.

Any Lien created for the benefit of the Lenders shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon (or where not automatically released and discharged, the Person having granted such security will be entitled to seek such Liens’ unconditional release and discharge) under any one or more of the following circumstances:

- (1) the release and discharge of the Initial Lien to which it relates;
- (2) upon the sale, disposition or transfer of the assets which are subject to such Liens (including by way of merger, consolidation, amalgamation or combination) to a Person that is not (either before or after giving effect to such transaction), the Borrower or a Restricted Subsidiary of the Borrower, if such sale, disposition or transfer does not violate the provisions set forth under “—Part II (General Undertakings and Mandatory Offers)—Asset Sales;”
- (3) upon the sale, disposition or transfer of Capital Stock of the Restricted Subsidiary that has granted such Liens (or Capital Stock of a Parent of the relevant Restricted Subsidiary (other than the Borrower)) to a Person that is not (either before or after giving effect to such transaction) the Borrower or a Restricted Subsidiary of the Borrower, if (i) after giving effect to such sale, disposition or transfer, such Person is no longer a Restricted Subsidiary of the Borrower and (ii) the sale, disposition or transfer does not violate the provisions set forth under “—Part II (General Undertakings and Mandatory Offers)—Asset Sales;”
- (5) if the relevant Restricted Subsidiary is designated as an Unrestricted Subsidiary (or is a Subsidiary of such designated Subsidiary) and such designation complies with the other applicable provisions of this Agreement (in which case, for the avoidance of doubt, such release will be of the property and assets (as well as any Equity Interests and Indebtedness) of such Restricted Subsidiary);
- (6) upon full and final repayment of the Loan; and
- (7) in accordance with clause 36.3 (*All Lender matters*) of this Agreement.

Upon any occurrence giving rise to a release and discharge of a Lien created for the benefit of the Lenders pursuant to the third paragraph, as specified above, the Security Agent, subject to receipt of an Officer’s Certificate certifying that the event or circumstance in question has occurred, will execute any documents reasonably required in order to evidence or effect such release and discharge in respect of such Lien.

Limitation on Sale and Leaseback Transactions

The Borrower will not, and will not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; *provided* that the Borrower or any Restricted Subsidiary may enter into a sale and leaseback transaction if:

- (1) the Borrower or that Restricted Subsidiary, as applicable, could have (a) incurred Indebtedness in an amount equal to the Attributable Debt relating to such sale and leaseback transaction under the covenant set forth under “—Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock” and (b) incurred a Lien to secure such Indebtedness pursuant to the covenant set forth under “—Part II (General Undertakings and Mandatory Offers)—Limitation on Liens”;
- (2) the gross cash proceeds of that sale and leaseback transaction are at least equal to the Fair Market Value of the property that is the subject of that sale and leaseback transaction; and
- (3) the transfer of assets in that sale and leaseback transaction constitutes an Asset Sale, such transfer does not contravene, and the Borrower applies the proceeds of such transaction in compliance with, the covenant set forth under “—Part II (General Undertakings and Mandatory Offers)—Asset Sales.”

Dividend and Other Payment Restrictions Affecting Subsidiaries

The Borrower will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

- (1) pay dividends or make any other distributions on its Capital Stock to the Borrower or any of its Restricted Subsidiaries, or with respect

to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Borrower or any of its Restricted Subsidiaries;

- (2) make loans or advances to the Borrower or any of its Restricted Subsidiaries; or
- (3) sell, lease or transfer any of its properties or assets to the Borrower or any of its Restricted Subsidiaries,

provided, that (x) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill period to) loans or advances made to the Borrower or any Restricted Subsidiary to other Indebtedness incurred by the Borrower or any Restricted Subsidiary, in each case, shall not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

- (1) agreements governing Existing Indebtedness, Capital Leases and Credit Facilities as in effect on the date of this Agreement and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; *provided* that such amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the date of this Agreement or would not, in the good faith determination of the Borrower, materially impair the ability to (a) make payments of amounts due in respect of the Loan or (b) comply with the respective obligations of the Borrower under the Loan (as determined in good faith by a responsible accounting or financial officer of the Borrower);
- (2) the Finance Documents;
- (3) applicable law, rule, regulation, order, approval, license, authorization, permit or concession or any similar restriction or other control by any government or governmental authority;
- (4) any instrument or agreement governing Indebtedness or Capital Stock of a Person acquired by the Borrower or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred or issued in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; *provided* that, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Agreement to be incurred;
- (5) customary non-assignment provisions or subletting restrictions in contracts, leases and licenses entered into in the ordinary course of business;
- (6) purchase money obligations for property (including Capital Stock) acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on the property purchased or leased of the nature described above in clause (3) of the preceding paragraph;
- (7) any agreement for the sale or other disposition of the Capital Stock or assets of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending closing of the sale or other disposition;
- (8) Permitted Refinancing Indebtedness; *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced (as determined in good faith by a responsible accounting or financial officer of the Borrower);
- (9) Liens permitted to be incurred under the provisions of the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Limitation on Liens*” that limit the right of the debtor to dispose of the assets subject to such Liens;
- (10) customary provisions limiting the disposition or distribution of assets or property or transfer of Capital Stock in joint venture agreements, limited liability company organizational documents, asset sale agreements, sale-leaseback agreements, stock sale agreements, minority shares arrangements and other similar agreements entered into (A) in the ordinary course of business, consistent with past practice or (B) with the approval of the Borrower’s Board of Directors, which limitation is applicable only to the assets, property or Capital Stock that are the subject of such agreements;
- (11) restrictions on cash, Cash Equivalents, Government Guaranteed Securities or other deposits or net worth imposed by customers, suppliers or lessors or required by insurance, surety or bonding companies under contracts or leases entered into in the ordinary course of business;
- (12) any agreement or instrument relating to Indebtedness permitted to be incurred after the date of this Agreement under the covenant entitled “—*Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock*”; *provided, however*, that such encumbrance or restriction is not materially more disadvantageous to the Lenders than is customary in comparable financings (as determined in good faith by a responsible accounting or financial officer of the Borrower) and either (x) a responsible accounting or financial officer of the Borrower determines that such encumbrance or restriction will not materially affect the Borrower’s ability to make principal or interest payments under the Finance Documents as and when they come due or (y) such encumbrance or restriction applies only if a default occurs in respect of a payment or financial covenant relating to such Indebtedness;
- (13) Hedging Obligations entered into from time to time for *bona fide* hedging purposes of the Borrower and its Restricted Subsidiaries;
- (14) encumbrances on property that exist at the time the property was acquired by the Borrower or a Restricted Subsidiary of the Borrower provided such encumbrance was not created in anticipation of such acquisition;
- (15) any encumbrances or restrictions imposed by any amendments or refinancings of the contracts, instruments or obligations referred to in clauses (1) through (14) above; *provided* that such amendments or refinancings are not materially more restrictive, taken as a whole, than such encumbrances and restrictions prior to such amendment or refinancing (as determined in good faith by a responsible accounting or financial officer of the Borrower); and
- (16) encumbrances or restrictions with respect to any Permitted Receivables Transaction; *provided* that such encumbrances or restrictions are customarily required by the institutional sponsor or arranger of such Permitted Receivables Transaction in similar types of

documents relating to the purchase of similar receivables in connection with the financing thereof; *provided* that such Permitted Receivables Transaction was permitted to be incurred under the terms of this Agreement.

Merger, Consolidation or Sale of Assets

The Borrower

The Borrower will not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Borrower is the surviving corporation); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Borrower and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person. The previous sentence will not apply if at the time and immediately after giving effect to any such transaction or series of transactions:

- (1) either: (a) the Borrower is the surviving corporation; or (b) the Person formed by or surviving any such consolidation or merger (if other than the Borrower) or to which such sale, assignment, transfer, conveyance or other disposition has been made is a corporation organized or existing under the laws of any European Union Member State, Switzerland, Norway, Canada or the United States, any state of the United States or the District of Columbia;
- (2) the Person formed by or surviving any such consolidation or merger (if other than the Borrower) or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made assumes all the obligations of the Borrower under the Finance Documents;
- (3) immediately after giving effect to such transaction or series of transactions, no Default or Event of Default will have occurred and be continuing;
- (4) the Borrower or the Person formed by or surviving any such consolidation or merger (if other than the Borrower), or to which such sale, assignment, transfer, conveyance or other disposition has been made would, on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period (i) be permitted to incur at least €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Incurrence of Indebtedness and Issuance of Preferred Stock*” or (ii) have a Fixed Charge Coverage Ratio no less than it was immediately prior to giving effect to such transaction; and
- (5) the Borrower shall have delivered to the Agent an officers’ certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and, in the event of a successor to the Borrower, accession deed, amendment agreement and other customary agreements (if any) comply with this Agreement and an Opinion of Counsel to the effect that such accession deed, amendment agreement and other customary agreements (if any) have been duly authorized, executed and delivered and are the legal, valid and binding agreements enforceable against the successor to the Borrower (in each case, in form and substance reasonably satisfactory to the Agent) and that all the Finance Documents will remain in full force and effect following such merger, provided that in giving an Opinion of Counsel, counsel may rely on an officers’ certificate as to any matters of fact.

This “Merger, Consolidation or Sale of Assets” covenant will not apply to:

- (1) a merger of the Borrower with an Affiliate solely for the purpose of reincorporating the Borrower in another jurisdiction or changing the legal form of the Borrower (provided that (5) above shall apply only prior to the Closing Date and thereafter until such time as there are no Initial Loan or Bridge Term Loans outstanding); or
- (2) any consolidation or merger, or any sale, assignment, transfer, conveyance, lease or other disposition of assets between or among the Borrower and its Restricted Subsidiaries.

The Guarantors

A Guarantor may not sell or otherwise dispose of all or substantially all of its properties or assets to, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person), another Person, other than the Borrower or another Guarantor, unless:

- (1) immediately after giving effect to that transaction or series of related transactions, no Default or Event of Default exists; and
- (2) (a) either (x) such Guarantor is the surviving entity or (y):
 - (i) the Person formed by or surviving any such consolidation or merger or the Person to which such sale, assignment, transfer, conveyance or other disposition has been made is either the Borrower or a Restricted Subsidiary of the Borrower that assumes all the obligations of such Guarantor under this Agreement by accession deed executed and delivered to the Agent and under the Intercreditor Agreement, any Additional Intercreditor Agreement and the Transaction Security Documents, as applicable, by customary agreements; or
 - (ii) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of the Guarantor or the sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the Borrower or a Restricted Subsidiary) otherwise permitted by and conducted in compliance with the provisions of the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Asset Sales*,” *provided* that the guarantee by such Guarantor of the Loan will be permitted to be released pursuant to clause (2) of the fourth paragraph of the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)—Limitation on Issuances of Guarantees of Indebtedness*” in connection with such a transaction; and
- (3) the Borrower shall have delivered to the Agent an Officer’s Certificate and an Opinion of Counsel, each stating that such merger or consolidation and such accession deed and each such amendment comply with this covenant.

The paragraph above will not apply to:

- (1) a merger of the Guarantor with an Affiliate solely for the purpose of reincorporating the Guarantor in another jurisdiction; or
- (2) the merger, consolidation with, liquidation into or transfer of all or substantially all of the properties and assets of any Guarantor to the Borrower or another Guarantor.

Transactions with Affiliates

The Borrower will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend, in any material respect, any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Borrower (each, an “*Affiliate Transaction*”), involving aggregate consideration in any single Affiliate Transaction or series of related Affiliate Transactions in excess of €5.0 million unless:

- (1) the Affiliate Transaction is on terms that are not materially less favorable to the Borrower or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction on an arm’s-length basis by the Borrower or such Restricted Subsidiary with an unrelated Person;
- (2) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €12.5 million, the Borrower delivers to the Agent a resolution of a majority of the disinterested members of the Board of Directors of the Borrower set forth in an officers’ certificate certifying that such Affiliate Transaction complies with this covenant; and
- (3) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €25.0 million, the Borrower has received a written opinion (a “*Fairness Opinion*”) from an Independent Financial Advisor that such Affiliate Transaction is fair, from a financial standpoint, to the Borrower and its Restricted Subsidiaries or that the terms are not materially less favorable than those that could reasonably have been obtained in a comparable transaction at such time on an arm’s-length basis from a Person that is not an Affiliate.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

- (1) any employment agreement, collective bargaining agreement, employee benefit plan, officer or director indemnification agreement, including any stock option, stock appreciation rights, stock incentive or similar plans, or any similar arrangement entered into by the Borrower or any of its Restricted Subsidiaries in the ordinary course of business or consistent with past practice and payments or other transactions pursuant thereto;
- (2) transactions (including a merger) between or among the Borrower and/or any of its Restricted Subsidiaries;
- (3) transactions with a Person (other than an Unrestricted Subsidiary of the Borrower) that is an Affiliate of the Borrower solely because the Borrower owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;
- (4) payment of reasonable fees to and reimbursements of expenses and indemnity provided on behalf of officers, directors, employees or consultants;
- (5) any transaction between or among the Borrower and/or its Restricted Subsidiaries and any joint venture (a) pursuant to the terms of the respective joint venture agreement, (b) in the ordinary course of business or (c) which are fair to the Borrower or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors of the Borrower or the senior management of the Borrower or the Restricted Subsidiary, as applicable, or are on terms no less favorable (taking into account the costs and benefits of associated with such transactions) than those that could reasonably have been obtained at such time from an unaffiliated Person;
- (6) any issuance or sale of Equity Interests (other than Disqualified Stock) of the Borrower to Affiliates of the Borrower or to any director, officer, employee or consultant of the Borrower or receipt of cash capital contributions from Affiliates of the Borrower in exchange for Equity Interests of the Borrower (other than Disqualified Stock) and the incurrence of Subordinated Shareholder Debt;
- (7) Restricted Payments that do not violate the provisions of this Agreement set forth under “—*Part II (General Undertakings and Mandatory Offers)—Restricted Payments*” and Permitted Investments (other than Permitted Investments described in clauses (3), (13), (15) or (16) of the definition thereof;
- (8) transactions with customers, clients, lenders, suppliers or purchasers or sellers or other providers of goods or services or providers of employees or other labor, or lessors or lessees of property, in each case in the ordinary course of business and otherwise in compliance with the terms of this Agreement that are fair to the Borrower or the Restricted Subsidiaries, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person in each case, as determined by a responsible accounting or financial officer of the Borrower or the senior management thereof;
- (9) Management Advances;
- (10) (a) pledges of Equity Interests or Indebtedness of Unrestricted Subsidiaries and joint ventures for the benefit of lenders thereto; (b) guarantees of performance by the Borrower and its Restricted Subsidiaries of the Borrower’s Unrestricted Subsidiaries in the ordinary course of business (as determined in good faith by a responsible accounting officer of the Borrower), except for guarantees of Indebtedness in respect of borrowed money, and (c) to the extent constituting Affiliate Transactions, transactions with charities and charitable foundations or with or that form part of community or social or environmental projects or initiatives;
- (11) dividends, loans, advances or distributions to any Parent or other payments by the Borrower or any Restricted Subsidiary in amounts constituting or to be used for purposes of making payments of fees and expenses incurred in connection with the Transactions;
- (12) (i) the Transactions and (ii) transactions effected pursuant to or contemplated by agreements or arrangements in effect or entered into on the date of this Agreement and any amendments, modifications or replacements of such agreements or arrangements (so long as such amendments, modifications or replacements are not materially more disadvantageous to the Lenders, taken as a whole, than the original agreements or arrangements as in effect on or entered into on the date of this Agreement) (as determined in good faith by a responsible accounting or financial officer of the Borrower);
- (13) transactions effected pursuant to or contemplated by agreements or arrangements between any Person and an Affiliate of such Person existing at the time such Person is acquired by, merged into or amalgamated, arranged or consolidated with the Borrower or any of its Restricted Subsidiaries; *provided* that such agreements or arrangements were not entered into in contemplation of such acquisition, merger, amalgamation, arrangement or consolidation, and any amendments, modifications or replacements of such agreements or arrangements (so long as such amendments, modifications or replacements are not materially more disadvantageous to the Lenders, taken as a whole, than the original agreements or arrangements as in effect on the date of such acquisition, merger, amalgamation, arrangement or consolidation) (as determined in good faith by a responsible accounting or financial officer of the Borrower);

- (14) Hedging Obligations entered into from time to time for *bona fide* hedging purposes of the Borrower and the Restricted Subsidiaries and the unwinding of any Hedging Obligations;
- (15) execution, delivery and performance of any consolidated group arrangements for tax or accounting purposes, provided that any payments to be made pursuant to such arrangements are made in compliance with the covenant as set forth in “—Part II (General Undertakings and Mandatory Offers)—Restricted Payments”; and
- (16) any transaction effected as part of a Permitted Receivables Transaction.

Impairment of Security Interest

The Borrower will not, and will not cause or permit any of its Restricted Subsidiaries to take or knowingly or negligently omit to take, any action which action or omission would have the result of materially impairing any Security Interest with respect to the Charged Property (it being understood that (i) the incurrence of Liens on the Charged Property permitted by the definition of Permitted Collateral Liens and (ii) any Permitted Reorganization shall, in each case, under no circumstances be deemed to materially impair Security Interests with respect to the Charged Property) for the benefit of the Security Agent on behalf of the Agent and the Lenders and the Borrower will not, and will not cause or permit any of its Restricted Subsidiaries to, grant to any Person other than the Security Agent on behalf of the Agent and the Lenders and the other beneficiaries described in the Transaction Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement any interest whatsoever in any of the Charged Property; *provided that*:

- (a) nothing in this provision shall restrict the discharge or release of the Charged Property in accordance with this Agreement, the Transaction Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreement,
- (b) the Borrower and its Restricted Subsidiaries may incur Permitted Collateral Liens, and
- (c) the Borrower and its Restricted Subsidiaries may undertake a Permitted Reorganization;

provided further, that (i) no Permitted Reorganization may be undertaken and (ii) no Transaction Security Document may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced or released (followed by an immediate retaking of a Lien of at least equivalent ranking over the same assets) (both (i) and (ii) collectively referred to as “Permitted Transactions”) unless contemporaneously with such Permitted Transactions, the Borrower delivers to the Agent one of the following:

- (1) a solvency opinion from an Independent Financial Advisor, in form and substance reasonably satisfactory to the Agent confirming the solvency of the Borrower and its Subsidiaries, taken as a whole, after giving effect to any Permitted Transactions;
- (2) a certificate from the Board of Directors of the relevant Person (acting in good faith) that confirms the solvency of the Person granting such Lien after giving effect to any Permitted Transactions; or
- (3) an Opinion of Counsel, in form and substance reasonably satisfactory to the Agent (subject to customary exceptions and qualifications), confirming that, after giving effect to any Permitted Transactions, the Lien or Liens securing the Loan created under the Transaction Security Documents subject to the Permitted Transactions are valid and perfected Liens not otherwise subject to any limitation imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such Permitted Transactions.

At the written direction of the Borrower and without the consent of the Lenders (subject to compliance with the first paragraph of this covenant), the Security Agent may from time to time enter into one or more amendments to the Transaction Security Documents or enter into additional or supplemental Transaction Security Documents to: (i) cure any ambiguity, omission, defect or inconsistency therein, (ii) provide for Permitted Collateral Liens, (iii) add to the Charged Property or (iv) make any other change thereto that does not adversely affect the rights of the Lenders in any material respect. In the event that the Borrower complies with this covenant, the Agent and/or the Security Agent, as applicable, shall (subject to customary protections and indemnifications) take all action necessary to effect such amendment, extension, renewal, restatement, supplement, modification, replacement or release with no need for instructions from the Lenders.

Further Assurances

The Borrower will, and will procure that each of its Subsidiaries will, at its own expense, execute and do all such acts and things and provide such assurances as the Security Agent may reasonably require (i) for registering any Transaction Security Documents in any required register and for perfecting or protecting any Security Interests intended to be afforded or created by such Transaction Security Documents; and (ii) if such Transaction Security Documents have become enforceable, for facilitating the realization of all or any part of the assets which are subject to such Transaction Security Documents and for facilitating the exercise of all powers, authorities and discretions vested in the Security Agent or in any receiver of all or any part of those assets. The Borrower will, and will procure that each of its Subsidiaries will, execute all transfers, conveyances, assignments and releases of that property whether to the Security Agent or to its nominees and give all notices, orders and directions which the Security Agent may reasonably request.

Business Activities

The Borrower will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Borrower and its Restricted Subsidiaries taken as a whole.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Borrower may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Borrower and its Restricted Subsidiaries in the Subsidiary designated as Unrestricted will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant set forth under “—Part II (General Undertakings and Mandatory Offers)—Restricted Payments” or under one or more clauses of the definition of Permitted Investments, as determined by the Borrower. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Borrower may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

Any designation of a Restricted Subsidiary of the Borrower as an Unrestricted Subsidiary will be evidenced to the Agent by filing with the Agent a certified copy of a resolution of the Board of Directors of the Borrower giving effect to such designation and an Officer’s Certificate certifying that such designation complied with the preceding conditions and was permitted by the covenant set forth under “—Part II (General Undertakings and Mandatory

Offers)—*Restricted Payments*.” If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of this Agreement and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Borrower as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)*—*Incurrence of Indebtedness and Issuance of Preferred Stock*,” the Borrower will be in default of such covenant. The Board of Directors of the Borrower may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Borrower; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Borrower of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)*—*Incurrence of Indebtedness and Issuance of Preferred Stock*,” calculated on a *pro forma* basis taking into account such designation as if such designation had occurred at the beginning of the applicable reference period; and (2) no Default or Event of Default would be in existence following such designation.

Part III Reports

So long as any amounts are outstanding under the Finance Documents and, with respect to (1), (3) and (5) below only, at all times when the Parent Guarantor is not subject to the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act, the Borrower will furnish to the Agent:

- (1) commencing with the fiscal year ending September 30, 2014, within 120 days after each fiscal year of the Parent Guarantor: (a) an operating and financial review of the audited financial statements, including a discussion of the results of operations, financial condition and liquidity and capital sources and a discussion of material commitments and contingencies and critical accounting policies; (b) a description of the business, management and shareholders of the Parent Guarantor, all material affiliate transactions, Indebtedness and material financing arrangements and a description of all material contractual arrangements; (c) material risk factors and material recent developments; (d) *pro forma* income statement and balance sheet information of the Parent Guarantor, together with explanatory footnotes for any acquisition or disposition that individually represents 20% or more of the consolidated revenues, earnings before interest, taxation, depreciation and amortization, or assets of the Parent Guarantor on a *pro forma* basis in each case unless such *pro forma* financial information has been provided in a previous report pursuant to clause (2) or (3) below or is available only at unreasonable expense; and (e) audited consolidated statements of income and statements of cash flow of the Parent Guarantor (or any predecessor company of the Parent Guarantor) as of and for the most recent three fiscal years and balance sheets as of the two most recent fiscal years, including appropriate footnotes to such financial statements, for and as of the end of such fiscal year, and the report of the independent auditors on such financial statements;
- (2) commencing with the fiscal year ending September 30, 2014, within 120 days after each fiscal year of the Borrower, audited consolidated statements of income and statements of cash flow of the Borrower (or any predecessor company of the Borrower) as of and for the most recent three fiscal years and balance sheets as of the two most recent fiscal years, including appropriate footnotes to such financial statements, for and as of the end of such fiscal year, and the report of the independent auditors on such financial statements, *provided*, that the Borrower need not furnish audited consolidated statements of income and statements of cash flow of the Borrower as of and for the fiscal years ended September 30, 2012 and 2013 and balance sheet as of September 30, 2013;
- (3) commencing with the fiscal quarter ending December 31, 2014, within 60 days following the end of the first and second fiscal quarters in each fiscal year of the Parent Guarantor and within 75 days following the end of the third fiscal quarter in each fiscal year of the Parent Guarantor, information including: (a) an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods, together with condensed footnote disclosure; (b) *pro forma* income statement and balance sheet information of the Parent Guarantor, together with explanatory footnotes for any acquisition or disposition that individually represents 20% or more of the consolidated revenues, earnings before interest, taxation, depreciation and amortization, or assets of the Parent Guarantor on a *pro forma* basis in each case unless such *pro forma* financial information has been provided in a previous report pursuant to clause (1) or (3) of this covenant or is available only at unreasonable expense; (c) an operating and financial review of the unaudited financial statements, including a discussion of material commitments and contingencies; (d) material recent developments; and (e) a presentation of EBITDA;
- (4) commencing with the fiscal quarter ending December 31, 2014, within 60 days following the end of the first and second fiscal quarters in each fiscal year of the Borrower and within 75 days following the end of the third fiscal quarter in each fiscal year of the Borrower, information including an unaudited condensed consolidated balance sheet as of the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year-to-date period ending on the unaudited condensed balance sheet date, and the comparable prior year periods, together with condensed footnote disclosure; and
- (5) promptly after the occurrence of a material acquisition, disposition, restructuring, senior management changes, change in auditors, the entering into of an agreement that will result in a Change of Control or any other material event that the Parent Guarantor or any Restricted Subsidiary announces publicly, in each case, a report containing a description of such event.

If the Borrower has designated any of its Subsidiaries as Unrestricted Subsidiaries and such Unrestricted Subsidiaries, either individually or collectively, would otherwise have been a Significant Subsidiary of the Parent Guarantor, then the quarterly and annual financial information required by the preceding paragraphs will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in the discussion of the financial condition and results of operations of the Borrower and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Borrower.

Furthermore, within 20 Business Days subsequent to the date of the publication of the reports described in clauses (1) and (2) above, the Borrower shall hold a conference call for current Lenders in which at least one member of the senior management of the Borrower shall participate. Notice of such conference calls shall be deemed a report required by clause (3) above and will state the date, time and dial-in number and shall be circulated to the Lenders and the Agent at least one Business Day in advance of such conference call.

All reports made pursuant to this covenant shall be made in, or translated to, the English language.

Part IV Events of Default

Each of the following is an “*Event of Default*”:

- (1) default for five days in the payment when due of interest on the Loan;

- (2) default in the payment when due (at the Stated Maturity of the Loan or otherwise) of the principal of the Loan;
- (3) failure by the Borrower or any of its Restricted Subsidiaries to comply with the provisions set forth under “—*Part II (General Undertakings and Mandatory Offers)*—*Merger, Consolidation or Sale of Assets*”;
- (4) failure by the Borrower or any of its Restricted Subsidiaries for 60 days after notice to the Borrower by the Agent or the Majority Lenders to comply with any of the other agreements in this Agreement (other than a default in performance, or breach, or a covenant or agreement which is specifically dealt with in clauses (1), (2) or (3));
- (5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Borrower or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Borrower or any of its Restricted Subsidiaries), whether such Indebtedness or Guarantee now exists, or is created after the date of such default (but excluding Indebtedness owed to the Borrower or a Restricted Subsidiary), if that default:
- (i) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such Indebtedness (a “*Payment Default*”); or
 - (ii) results in the acceleration of such Indebtedness prior to its Stated Maturity,
- and, in each case, either (i) the principal amount of any such Indebtedness that is due and has not been paid or which has been accelerated, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates €30.0 million or more or (ii) to the extent such Indebtedness is incurred pursuant to clause (1) of the second paragraph of the covenant set forth under “—*Part II (General Undertakings and Mandatory Offers)*—*Incurrence of Indebtedness and Issuance of Preferred Stock*” and is designated as a Senior Lender Liability under the Intercreditor Agreement or assigned a substantially equivalent designation under any Additional Intercreditor Agreement, the requisite majority of holders of such Indebtedness has instructed the Security Agent to commence enforcement of their separate security;
- (6) failure by the Borrower or any of its Restricted Subsidiaries to pay final and non-appealable judgments entered by a court or courts of competent jurisdiction aggregating in excess of €30.0 million (net of any amounts which are covered by insurance or bonded), which judgments are not paid, waived, satisfied, discharged or stayed for a period of 60 days;
- (7) the Parent Guarantor, the Borrower or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Borrower and its Restricted Subsidiaries), would constitute a Significant Subsidiary, pursuant to or within the meaning of any Bankruptcy Law:
- (i) commences proceedings to be adjudicated bankrupt or insolvent;
 - (ii) consents to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under applicable Bankruptcy Law;
 - (iii) consents to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of it or for all or substantially all of its property;
 - (iv) makes a general assignment for the benefit of its creditors; or
 - (v) admits in writing that it is unable to pay its debts as they become due;
- (8) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:
- (i) is for relief against the Parent Guarantor, the Borrower or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Borrower and its Restricted Subsidiaries), would constitute a Significant Subsidiary, in a proceeding in which the Parent Guarantor, the Borrower or any such Restricted Subsidiaries, that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Borrower and its Restricted Subsidiaries), would constitute a Significant Subsidiary, is to be adjudicated bankrupt or insolvent;
 - (ii) appoints a receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Parent Guarantor, the Borrower or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Borrower and its Restricted Subsidiaries), would constitute a Significant Subsidiary, or for all or substantially all of the property of the Parent Guarantor, the Borrower or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Borrower and its Restricted Subsidiaries), would constitute a Significant Subsidiary; or
 - (iii) orders the liquidation of the Parent Guarantor, the Borrower or any of its Restricted Subsidiaries that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Borrower and its Restricted Subsidiaries), would constitute a Significant Subsidiary and the order or decree remains unstayed and in effect for 60 consecutive days;
- (9) any Loan Guarantee, if any, is held in any judicial proceeding to be unenforceable or invalid or ceases for any reason to be, or shall for any reason be asserted in writing by any Guarantor or the Borrower not to be, in full force and effect and enforceable in accordance with its terms, except to the extent contemplated by this Agreement and any such Loan Guarantee; or
- (10)(i) any security interest created by any Transaction Security Document shall, at any time, cease to be in full force and effect (except as permitted by the terms of this Agreement, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Transaction Security Documents) with respect to Charged Property having a Fair Market Value in excess of €7.5 million for any reason other than the satisfaction in full of all obligations

under this Agreement or the release of any such security interest in accordance with the terms of this Agreement, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Transaction Security Documents, or an assertion by the Borrower or any of its Restricted Subsidiaries that any Charged Property having a Fair Market Value in excess of €7.5 million is not subject to a valid, perfected security interest (except as permitted by the terms of this Agreement or Transaction Security Documents); (ii) the repudiation by the Borrower or any of its Restricted Subsidiaries of any of its material obligations under any Transaction Security Document.

SCHEDULE 10
Form of Exchange Request

Form of Exchange Request pursuant to Clause 6.4(c) (*Manner of Exchange of Bridge Term Loan*)

To: [•]

as Agent

From: [*The Lender*]

Dated: [•]

Project Woodrow - €300 million Senior Secured Bridge Facility Agreement dated [] 2014 (the "Facility Agreement")

1. We refer to the Facility Agreement. This is an Exchange Request pursuant to Clause 6.4(c) (*Manner of Exchange of Bridge Term Loan*) of the Facility Agreement. Terms defined in the Facility Agreement have the same meaning in this notice unless given a different meaning in this notice.
2. We confirm as follows:
 - (iii) our legal name is [];
 - (iv) the Exchange Date for this Exchange Request is [], a Business Day not fewer than ten Business Days after the date of this Exchange Request;
 - (v) the name of the proposed registered Holder of the Exchange Notes to be issued pursuant to this Exchange Request is [];
 - (vi) the principal amount of our participation in the Loans to be exchanged for Exchange Notes pursuant to this Exchange Request is [], which amount complies with the requirements of Clause 6.4(c) of the Facility Agreement; and
 - (vii) the amount of each Exchange Note requested hereunder is [], which complies with the requirements of Clause 6.4(c) of the Facility Agreement.
3. We confirm that:
 - (viii) we are either (1) an institutional "accredited investor" within the meaning of Rule 501(a)(1), (2), (3) or (7) under the Securities Act), that we are engaged in the business of purchasing and selling securities of entities such as the Borrower or (2) [are not a US person and] are acquiring any Exchange Notes pursuant to an offshore transaction pursuant to Regulation S under the Securities Act. We are requesting any Exchange Notes hereunder for our own account or for one or more accounts (each of which is an institutional "accredited investor" as defined above) as to each of which we exercise sole investment discretion. We are acquiring Exchange Notes solely for investment purposes and not with a view to the resale or distribution of Exchange Notes, except in accordance with U.S. securities laws.
 - (ix) we have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of investing in the Exchange Notes, and we are experienced in investing in capital markets and are able to bear the economic risk of investing in the Exchange Notes.
 - (x) an investment in the Exchange Notes involves a high degree of risk, and the Exchange Notes are, therefore, a speculative investment.
 - (xi) none of the Obligors, the Arrangers, the Agent or any of their respective agents or affiliates has given any investment advice or rendered any opinion to us as to whether an investment in the Exchange Notes is prudent or suitable, and we are not relying on any representation or warranty by the Obligors, the Arrangers, the Agent or any of their respective agents or affiliates.
 - (xii) we acknowledge that none of the Obligors, the Arrangers, the Agent or any of their respective agents or affiliates has provided, and will not be providing, us with any material regarding the Exchange Notes or the Borrower. We acknowledge that neither the Arrangers nor the Agent are responsible for the contents of any document. We have not requested the Obligors, the Arrangers, the Agent or any of their respective agents or affiliates to provide us with any other information. In addition, we acknowledge that the Agent may facilitate the exchange of information between us and the Borrower, but that such information is not being provided by the Agent. We also acknowledge that, prior to the date hereof, the Borrower has (a) offered us the opportunity to ask questions and receive answers from the Borrower or persons acting on behalf of the Borrower, (b) offered to furnish us with all other materials that we consider relevant to an investment in the Exchange Notes and (c) offered to give us the opportunity fully to perform our own due diligence.
 - (xiii) we have access to all information that we believe is necessary, sufficient or appropriate in connection with our receipt and investment in the Exchange Notes. We have made an independent decision to invest in the Exchange Notes from the Borrower based on the information concerning the business and financial condition of the Borrower and other information available to us, which we have determined is adequate for that purpose, and we have not relied on any information (in any form, whether written or oral) furnished by the Agent or on their behalf in making that decision.
 - (xiv) in making our decision to invest in the Exchange Notes, (a) we have not relied on any investigation that the Agent, or any person acting on their behalf, may have conducted with respect to the Borrower or the Exchange Notes and (b) we have made our own investment decision

regarding the Exchange Notes (including, without limitation, the income tax consequences of purchasing, owning or disposing of the Exchange Notes in light of our particular situation and tax residence(s) as well as any consequences arising under the laws of any taxing jurisdiction) based on our own knowledge (and information we may have or which is publicly available) with respect to the Borrower and the Exchange Notes.

- (xv) we acknowledge that the Agent, the Borrower and their respective agents and affiliates may possess material non-public information not known to us regarding or relating to the Borrower or the Exchange Notes, including, but not limited to, information concerning the business, financial condition, results of operations, prospects or restructuring plans of the Borrower. We acknowledge that none of the Agent, the Borrower or any of their respective agents or affiliates has disclosed any material, non-public information to us and we have not requested that any such information be disclosed.
- (xvi) we understand that the Exchange Notes have not been registered under the Securities Act and we are receiving the Exchange Notes in accordance with a valid exemption from the registration requirements under the Securities Act. We will not reoffer, resell, pledge or otherwise transfer any Exchange Notes except (a) pursuant to Rule 144A under the Securities Act (if available) to qualified institutional buyers (as defined in Rule 144A), (b) in an offshore transaction complying with Rule 903 or 904 of Regulation S under the Securities Act, (c) pursuant to Rule 144 under the Securities Act (if available) or (d) pursuant to another applicable exemption under the Securities Act, and that, in each case, such offer, sale, pledge or transfer must be made in accordance with any applicable securities laws of any state of the United States or any other relevant jurisdiction.
- (xvii) we understand that none of the Obligors, the Arrangers, the Agent or any of their agents or affiliates make any representation as to the availability of Rule 144A, Regulation S or Rule 144 under the Securities Act for the reoffer, resale, pledge or transfer of the Exchange Notes.

[Lender]

By:

SCHEDULE 11

SIGNATURES

THE BORROWER

UGI INTERNATIONAL ENTERPRISES INC.

By /s/ Daniel J. Platt

Address: 460 North Gulph Road, King of Prussia, Pennsylvania 19406

Fax: 1 610 992 3258

Attention: Treasurer

[Signature pages to the Bridge Facility Agreement]

ARRANGER

CREDIT SUISSE AG, LONDON BRANCH

By: /s/ Thomas Vignon By: /s/ Robert Wartchow
Director Director

Address: One Cabot Square
London E14 4QJ

Fax: 44 20 7888 8125

Attention: Loan Participations

Email: list.csfbi-loans-grp@credit-suisse.com

ARRANGER

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED

By: /s/ Tim Morgan
Director

Address: One Bryant Park, New York, NY 10036

Fax: 1 646 855 1833

Attention: Bryan Heller

E-mail: bryan.heller@bankofamerica.com

ARRANGER

NATIXIS, NEW YORK BRANCH

By: /s/ Michael Plotnik By: /s/ Matthieu Fulchiron
Managing Director Vice President

Address: 1251 Avenue of the Americas – New York, NY 10020

Fax: 1 201 761 6931

Attention: Martha Sealy

E-mail: Martha.sealy@us.natixis.com

THE AGENT

CREDIT SUISSE AG, CAYMAN ISLAND BRANCH

By: /s/ Bill O'Daly
Authorized Signatory

By: /s/ D. Andrew Maletta
Authorized Signatory

Address: Eleven Madison Avenue, 23rd Floor
New York, NY 10010

Fax: 1 212 322 2291

Attention: Loan Operations – Agency Manager

THE SECURITY AGENT

CREDIT SUISSE AG, CAYMAN ISLAND BRANCH

By: /s/ Bill O'Daly
Authorized Signatory

By: /s/ D. Andrew Maletta
Authorized Signatory

Address: Eleven Madison Avenue, 23rd Floor
New York, NY 10010

Fax: 1 212 322 2291

Attention: Loan Operations – Agency Manager

THE ORIGINAL LENDERS

CREDIT SUISSE AG, LONDON BRANCH

By: /s/ Thomas Vignon
Director

By: /s/ Robert Wartchow
Director

Address: One Cabot Square
London E14 4QJ

Fax: 44 20 7888 8125

Attention: Loan Participations

E-mail: list.csfbf-loans-grp@credit-suisse.com

[Signature pages to the Bridge Facility Agreement]

THE ORIGINAL LENDERS

BANK OF AMERICA, N.A. LONDON BRANCH

By: /s/ Tim Morgan
Director

Address: One Bryant Park, New York, NY 10036

Fax: 1 646 855 1833

Attention: Bryan Heller

E-mail: bryan.heller@bankofamerica.com

THE ORIGINAL LENDERS

NATIXIS, NEW YORK BRANCH

By: /s/ Michael Plotnik /s/ Matthieu Fulchiron
Vice President Vice President

Address: 1251 Avenue of the Americas – New York, NY 10020

Fax: 1 201 761 6931

Attention: Martha Sealy

E-mail: Martha.sealy@us.natixis.com

[Signature pages to the Bridge Facility Agreement]

UGI GUARANTEE

THIS GUARANTEE is made on 17 October 2014

BY:

- (1) **UGI CORPORATION** of 460 North Gulph Road, King of Prussia, Pennsylvania, 19406, USA registered in Pennsylvania with registration number 2069197 (the "**Guarantor**") in favour of
- (2) Credit Suisse AG, Cayman Island branch in its capacity as Agent for the Finance Parties (as defined below);
- (3) Credit Suisse AG, Cayman Island branch in its capacity as Security Agent for the Finance Parties;
- (4) Each Original Lender (as defined in the Agreement); and
- (5) Each Arranger (as defined in the Agreement).

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions:** In this Guarantee:

"**Agent**" means Credit Suisse AG, Cayman Island branch or its successors in title or assigns in its capacity as agent for the Finance Parties.

"**Agreement**" means the Bridge Facility Agreement dated on or about the date hereof between Credit Suisse AG, London branch, Bank of America Merrill Lynch International Limited and Natixis, New York branch as arrangers, the financial institutions listed therein as original lenders, the Agent, the Security Agent and the Principal as borrower (as amended, extended, varied, novated, replaced, restated or supplemented from time to time).

"**Beneficiary**" means each Finance Party.

"**Finance Documents**" means the Finance Documents from time to time as defined in the Agreement as each of those documents are amended, novated, supplemented, extended or restated from time to time.

"**Finance Parties**" means the Finance Parties from time to time as defined in the Agreement.

"**Principal**" means UGI International Enterprises, Inc. of 460 North Gulph Road, King of Prussia, Pennsylvania, 19406, USA registered in Pennsylvania with registration number 2750889.

"**Security**" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

- ### 1.2 **Terms defined in the Agreement:** Unless otherwise expressly defined in this Guarantee or the context otherwise requires, words and expressions defined in the Agreement shall have the same meaning in this Guarantee or any notice given under or in connection to this Guarantee.

1.3 **Construction**

- (a) Unless a contrary indication appears, a reference in this Guarantee to:

- (i) the "Agent", the "Arranger", any "Finance Party", any "Lender", any "Obligor", any "Party", any "Secured Party", the "Security Agent" or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents;
- (ii) the "**Agreement**" or this "**Guarantee**" or any other agreement or instrument is a reference to that agreement or instrument as amended, novated, supplemented, extended or restated;
- (iii) "**assets**" includes present and future properties, revenues and rights of every description;
- (iv) "**indebtedness**" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (v) a "**person**" includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality); and

(b) Clause and Schedule headings are for ease of reference only.

1.4 **Deed:** This document is to take effect as a deed whether or not it is signed by the Agent or (if signed by the Agent) notwithstanding that the Agent has executed it under hand only.

1.5 This Guarantee is a Finance Document.

2. **GUARANTEE AND INDEMNITY**

In consideration of the Agent entering into the Agreement, the Guarantor irrevocably and unconditionally:

- (a) guarantees to each Finance Party punctual performance by each Obligor of all that Obligor's obligations under or pursuant to the Finance Documents;
- (b) undertakes with each Finance Party that whenever an Obligor does not pay any amount when due under or in connection with any Finance Document, it shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability each of them incurs as a result of the Obligor not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by the Guarantor under this indemnity will not exceed the amount it would have had to pay under this Clause 2 if the amount claimed had been recoverable on the basis of a guarantee.

3. **PRESERVATION OF RIGHTS**

3.1 **Continuing guarantee**

This Guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

3.2 **Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any Security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, Security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Guarantor under this Guarantee will continue or be reinstated as if the discharge, release or arrangement had not occurred. If acceleration of the time of payment of any of the guaranteed obligations is stayed upon the moratorium, insolvency, bankruptcy or reorganisation of an Obligor, all such amounts otherwise subject to acceleration under the terms of any agreement relating to the guaranteed obligations shall nonetheless be payable by the Guarantor forthwith on demand by a Finance Party.

3.3 **Waiver of defences**

The obligations of the Guarantor under this Guarantee will not be affected by any act, omission, matter or thing which, but for this Clause 3 would reduce, release or prejudice any of its obligations under this Guarantee (without limitation and whether or not known to it or to the Finance Parties) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other person under the terms of any composition or arrangement with any creditor of any member of the Group;
- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or Security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any Security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the stockholders or members as applicable or status of an Obligor, the Guarantor or any other person;
- (e) any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case, however fundamental and whether or not more onerous) or replacement of the Agreement or any other document or Security including, without limitation, any change in the purpose of, any extension of or increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or Security; or
- (g) any insolvency or similar proceedings.

3.4 **Guarantor intent**

Without prejudice to the generality of Clause 3.3 (*Waiver of defences*), the Guarantor expressly confirms that it intends that this guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Finance Documents and/or any facility or amount made available under it for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carrying out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrowers; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

3.5 **Immediate recourse**

The Guarantor 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 it under this Guarantee. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

3.6 Appropriations

Until all amounts which may be or become payable by the Obligors or the Guarantor under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under this Guarantee.

3.7 Deferral of Guarantor's rights

Until all amounts which may be or become payable by the Obligors or the Guarantor under or in connection with the Finance Documents have been irrevocably paid in full and unless the Agent otherwise directs, the Guarantor will not exercise any rights which it may have by reason of performance by it of its obligations under the Guarantee or by reason of any amount being payable, or liability arising, under this Guarantee:

- (a) to be indemnified by any Obligor or to receive any collateral from any Obligor;
- (b) to claim any contribution from any other guarantor of the Principal's obligations under Finance Documents;
- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of a Finance Party under the Finance Documents or of any other guarantee or Security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which the Guarantor has given a guarantee, undertaking or indemnity under Clause 2 (*Guarantee and indemnity*);
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

If the Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 30 (*Payment mechanics*) of the Agreement.

3.8 Additional Security

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or Security now or subsequently held by any Finance Party.

3.9 **Guarantee limitations**

Notwithstanding any term or provision of this Guarantee or any other term in any Finance Document, the maximum aggregate amount of the obligations of the Guarantor shall in no event exceed an amount equal to the largest amount that would not render the Guarantor's obligations under any Finance Document to constitute a fraudulent transfer or conveyance for the purposes of any proceeding of the type referred to in clause (8) of Part IV (*Events of Default and Remedies*) of Schedule 9 (*Restrictive Covenants and Events of Default*) of the Agreement or Title 11, United States Code, the United States Uniform Fraudulent Conveyance Act, the United States Uniform Fraudulent Transfer Act or any similar U.S. federal or state law (the "**Fraudulent Conveyance Laws**"), to the extent applicable to the obligations of the Guarantor under this Guarantee. To effectuate the foregoing intention, the Agent and the Guarantor hereby irrevocably agree that the obligations of the Guarantor at any time under the Finance Documents shall be limited to the maximum amount as will result in the obligations of, or transfer by, the Guarantor under this Guarantee not constituting a fraudulent transfer or conveyance under any Fraudulent Conveyance Law, in each case after giving effect to all other liabilities of the Guarantor, contingent or otherwise, that are relevant under such laws.

4. **REPRESENTATIONS AND WARRANTIES**

The Guarantor represents that:

4.1 **Status**

- (a) It is a corporation, duly incorporated and validly existing under the law of its Original Jurisdiction.
- (b) It has the power to own its assets and carry on its business in all material respects as it is being conducted.

4.2 **Binding obligations**

Subject to the Legal Reservations and the Perfection Requirements, the obligations expressed to be assumed by it in this Guarantee are legal, valid, binding and enforceable obligations.

4.3 **Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, this Guarantee do not and will not conflict with:

- (a) any law or regulation applicable to it in any material respect;
- (b) its organisational documents; or
- (c) any agreement or instrument binding upon its assets or constitute a default or termination event (however described) under any such agreement or instrument to an extent which has or is reasonably likely to have a Material Adverse Effect.

4.4 **Power and authority and due execution**

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance by it and delivery of this Guarantee and the transactions contemplated by it.
- (b) It has duly executed and delivered this Guarantee.

- (c) No limit on its powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities contemplated by this Guarantee.

4.5 **Validity and admissibility in evidence**

- (a) Subject to the Legal Reservations, all Authorisations required:
 - (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in this Guarantee; and
 - (ii) to make this Guarantee admissible in evidence in its Relevant Jurisdictions,have been obtained or effected and are in full force and effect except for those necessary to satisfy the Perfection Requirements which will be satisfied promptly after execution of the relevant documents.
- (b) All Authorisations necessary for the conduct of its business, trade and ordinary activities have been obtained or effected and are in full force and effect save to the extent that the failure to obtain or effect those Authorisations has or is reasonably likely to have a Material Adverse Effect.

4.6 **Governing law and enforcement**

Subject to the Legal Reservations:

- (a) the choice of the governing law of this Guarantee will be recognised and enforced in its Relevant Jurisdictions; and
- (b) any judgment obtained in relation to this Guarantee in the jurisdiction of the governing law of this Guarantee and any judgment obtained in relation to this Guarantee will be recognised and enforced in its Relevant Jurisdictions.

4.7 **Insolvency**

None of the actions described at clause (7) and none of the orders or decrees described at clause (8) of Part IV (*Events of Default and Remedies*) of Schedule 9 (*Restrictive Covenants and Events of Default*) of the Agreement have been taken or (to the knowledge of the Guarantor) have been threatened to be taken, made or issued in relation to the Guarantor.

4.8 **No filing or stamp taxes**

Under the laws of its Relevant Jurisdiction it is not necessary that this Guarantee be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration, notarial or similar Taxes or fees be paid on or in relation to this Guarantee or the transactions contemplated by this Guarantee except for the Perfection Requirements and payment of associated fees which shall be completed and paid promptly (and in any event within the periods prescribed by law) after the date of this Guarantee.

5. **UNDERTAKINGS**

5.1 **Authorisations**

Subject to the Legal Reservations, the Guarantor shall promptly:

- (a) do all such things as are necessary to maintain its status as a legal entity;

- (b) obtain, comply with and do all that is necessary to maintain in full force and effect any Authorisation required under any law or regulation:
 - (i) of a Relevant Jurisdiction to enable it to perform its obligations under this Guarantee; and
 - (ii) of a Relevant Jurisdiction to ensure the legality, validity, enforceability or admissibility in evidence of this Guarantee.

5.2 **Compliance with laws**

Except as set forth in the next sentence, the Guarantor shall:

- (a) comply with the requirements of all applicable Laws and orders of any Governmental Authority (including Environmental Laws), except to the extent noncompliance could not reasonably be expected to have a Material Adverse Effect;
- (b) comply in all material respects with all Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions; and
- (c) maintain in effect and enforce policies and procedures designed to ensure compliance by the Guarantor and its directors, officers, employees and agents with Anti-Corruption Laws, Anti-Money Laundering Laws and applicable Sanctions.

5.3 **Pari Passu**

The Guarantor shall ensure that at all times any unsecured and unsubordinated claims of a Finance Party against it under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

6. **PAYMENTS**

- 6.1 The provisions of the Agreement relating to the payments to be made under it (including, without limitation, those regulating what is to happen if an Obligor is required by law to make a deduction or withholding from any such payment) shall apply *mutatis mutandis* to payments to be made under this Guarantee.
- 6.2 If the Agent makes a demand under this Guarantee, the Guarantor shall pay interest on each sum demanded (before and after any judgment and to the extent, interest at the default rate is not otherwise being paid on such sum(s)) from the date of demand until the date of payment calculated on a daily basis at the rate determined in accordance with the relevant Finance Document.

7. **SET-OFF**

7.1 **Set-off**

While an Event of Default is continuing, a Finance Party may set off any matured obligation due from the Guarantor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to the Guarantor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

7.2 **Currency conversion**

The Finance Parties may exercise such rights notwithstanding that the obligations concerned may be expressed in different currencies and the Finance Parties are authorised to convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

7.3 **Set-off rights cumulative**

This Clause 7 (*Set-off*) shall be in addition to and without prejudice to any rights of set-off or any other rights or remedies which the Finance Parties may have.

8. **OTHER INDEMNITIES**

8.1 **Currency indemnity**

(c) If any sum due from an Obligor or the Guarantor under the Finance Documents (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:

- (i) making or filing a claim or proof against the Obligors or the Guarantor ; or
- (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Guarantor shall as an independent obligation, within three Business Days of demand, indemnify the Finance Parties against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

(d) The Guarantor waives any right it may have in any jurisdiction to pay any amount under the Agreement or under this Guarantee in a currency or currency unit other than that in which it is expressed to be payable.

9. **PROCEDURE FOR TRANSFER AND ASSIGNMENT**

The Guarantor acknowledges the provisions at Clause 23.6 (*Procedure for transfers*) and Clause 23.7 (*Procedure for assignment*) of the Agreement.

10. **COSTS AND EXPENSES**

10.1 **Transaction expenses**

The Guarantor shall promptly on demand and in any event within three Business Days of demand pay (or procure payment) to the Finance Parties the amount of all reasonable costs and expenses (including legal fees) and disbursements subject to the limits as agreed between the Agent and the Guarantor reasonably incurred by any of them or their Affiliates (and, in the case of the Security Agent, by any Receiver or Delegate) in connection with the negotiation, preparation, printing, execution or enforcement of this Guarantee or otherwise in relation to it.

10.2 **Amendment costs**

If the Guarantor requests an amendment, waiver or consent the Guarantor shall within three Business Days of demand, reimburse each of the Finance Parties for the amount of all reasonable costs and expenses (including

legal fees subject to any applicable arrangements agreed in writing) reasonably incurred by each of the Finance Parties in responding to, evaluating, negotiating or complying with that request or requirement.

10.3 **Enforcement and preservation costs**

The Guarantor shall, within three Business Days of demand, pay to the Finance Parties the amount of all costs and expenses (including legal fees) incurred by them in connection with the enforcement or the preservation of any rights under any this Guarantee and any proceedings instituted by or against the Agent as a consequence of taking or holding the Guarantee or enforcing these rights.

11. **PARTIAL INVALIDITY**

If at any time, any provision of this Guarantee is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, that shall not affect the legality, validity or enforceability of:

11.1 the remaining provisions of this Guarantee; or

11.2 that or any other provision or the effectiveness of this Guarantee in any other jurisdiction.

12. **COMMUNICATIONS**

12.1 **In writing:** Any communication to be made under or in connection with this Guarantee shall be in writing in the English language and, unless otherwise stated, may be given in person or made, by post or fax or letter or any other electronic communication approved by the Agent.

12.2 **Contact details:** The contact details of each party to this Guarantee for all communications in connection with this Guarantee are those shown immediately after its name on the signature page of this Guarantee or otherwise notified by that party to the other party on at least five Business Days' notice.

13. **COUNTERPARTS**

This Guarantee may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Guarantee.

14. **ASSIGNMENT**

The Finance Parties may at any time assign or otherwise transfer all or any part of its rights under this Guarantee.

15. **GOVERNING LAW AND SUBMISSION TO JURISDICTION**

15.1 **Governing law**

This Guarantee is governed by and shall be construed in accordance with English law. Any non-contractual obligations arising out of or in connection with this Guarantee are governed by English law.

15.2 **Jurisdiction**

(a) Subject to paragraph (c) below, the courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Guarantee (including a dispute regarding the existence, validity or termination of this Guarantee or any non-contractual obligation arising out of or in connection with this Guarantee) or the consequences of its nullity (a "**Dispute**").

- (b) The parties agree that the courts of England are the most appropriate and convenient courts to settle any Disputes between them and accordingly no party shall argue to the contrary.
- (c) This Clause is for the benefit of the Finance Parties only. As a result, the Finance Parties shall not be prevented from taking:
 - (i) proceedings relating to a Dispute in any other courts with jurisdiction; and
 - (ii) to the extent allowed by law, concurrent proceedings in any number of jurisdictions.

15.3 **Service of process**

Without prejudice to any other mode of service allowed under any relevant law, the Guarantor:

- (a) irrevocably appoints Avanti Gas Limited (registration number: 00481121) as its agent for service of documents starting proceedings before the English courts in connection with this Guarantee or any documents required to be served in relation to such proceedings;
- (b) agrees that failure by a process agent to notify the Guarantor of any process will not invalidate the proceedings concerned; and
- (c) agrees that if the entity nominated by it in paragraph (a) above is unable to act as its agent for service of process for any reason, it shall immediately appoint another process agent on the same terms or other terms acceptable to the Agent, failing which the Agent may select a replacement process agent for such purpose.

IN WITNESS WHEREOF the parties hereto have caused this Guarantee to be duly executed as a deed on the date first written above.

SIGNATORIES

EXECUTED AS A DEED by
UGI CORPORATION

)
)
)
)

By: /s/ Kirk R. Oliver

Name: Kirk R. Oliver

Title: Chief Financial Officer

Notice Details

Address: 460 North Gulph Road, King of Prussia, Pennsylvania 19406, By: /s/ Monica M. Gaudiosi
USA

Attention: Treasurer

Name: Monica M. Gaudiosi

Title: Secretary to UGI Corporation

Facsimile: +1 610 992 3258

Telephone: + 1 610 337 1000

[Signature pages to the UGI Guarantee]

THE AGENT

CREDIT SUISSE AG, CAYMAN ISLAND BRANCH

By: /s/ Bill O'Daly
Authorized Signatory

By: /s/ D. Andrew Maletta
Authorized Signatory

Notice Details

Address: Eleven Madison Avenue, 23rd Floor
New York, NY 10010

Fax: 1 212 322 2291

Attention: Loan Operations – Agency Manager

THE SECURITY AGENT

CREDIT SUISSE AG, CAYMAN ISLAND BRANCH

By: /s/ Bill O'Daly
Authorized Signatory

By: /s/ D. Andrew Maletta
Authorized Signatory

ARRANGER

CREDIT SUISSE AG, LONDON BRANCH

By: /s/ Thomas Vignon
Director

By: /s/ Robert Wartchow
Director

ARRANGER

BANK OF AMERICA MERRILL LYNCH INTERNATIONAL LIMITED

By: /s/ Tim Morgan
Director

[Signature pages to the UGI Guarantee]

ARRANGER

NATIXIS, NEW YORK BRANCH

By: /s/ Michael Plotnik /s/ Matthieu Fulchiron
Managing Director Vice President

THE ORIGINAL LENDERS

CREDIT SUISSE AG, LONDON BRANCH

By: /s/ Thomas Vignon By: /s/ Robert Wartchow
Director Director

THE ORIGINAL LENDERS

BANK OF AMERICA, N.A. LONDON BRANCH

By: /s/ Tim Morgan
Director

THE ORIGINAL LENDERS

NATIXIS, NEW YORK BRANCH

By: /s/ Michael Plotnik /s/ Matthieu Fulchiron
Managing Director Vice President

[Signature pages to the UGI Guarantee]

SUBSIDIARIES OF UGI CORPORATION

<u>SUBSIDIARY</u>	<u>OWNERSHIP</u>	<u>STATE OF INCORPORATION</u>
AMERIGAS, INC.	100%	PA
AMERIGAS PROPANE, INC.	100%	PA
AmeriGas Partners, L.P.	(1)	DE
AmeriGas Finance Corp.	100%	DE
AmeriGas Eagle Finance Corp.	100%	DE
AP Eagle Finance Corp.	100%	DE
AmeriGas Finance LLC	100%	DE
AmeriGas Propane, L.P.	(2)	DE
AmeriGas Propane Parts & Service, Inc.	100%	PA
Heritage Energy Resources, LLC	100%	OK
M-P Oils, Ltd.	100%	CANADA
AmeriGas Eagle Holdings, Inc. (CP Holdings, Inc.)	100%	DE
AmerE Holdings, Inc.	100%	DE
Active Propane of Wisconsin, LLC	100%	DE
902 Gilbert Street, LLC	100%	NC
Metro Lawn, LLC	100%	DE
AmeriGas Technology Group, Inc.	100%	PA
Petrolane Incorporated	100%	PA
FOUR FLAGS DRILLING COMPANY, INC.	100%	PA
ASHTOLA PRODUCTION COMPANY	100%	PA
UGI ETHANOL DEVELOPMENT CORPORATION	100%	PA
NEWBURY HOLDING COMPANY	100%	DE
UGI ENTERPRISES, INC.	100%	PA
EASTFIELD INTERNATIONAL HOLDINGS, INC.	100%	DE
EUROGAS HOLDINGS, INC.	100%	DE
UGI BLACK SEA ENTERPRISES, INC.	100%	PA
UGI CHINA, INC.	100%	DE
UGI ENERGY SERVICES, LLC (d/b/a UGI EnergyLink, d/b/a GASMARK® and d/b/a POWERMARK)	100%	PA
Energy Services Funding Corporation	100%	DE
Hellertown Pipeline Company	100%	PA
Homestead Holding Company	100%	DE
UGI Asset Management, Inc.	100%	DE
UGI Development Company	100%	PA
UGID Holding Company	100%	DE
UGI Hunlock Development Company	100%	PA
UGI LNG, Inc.	100%	DE
UGI Marcellus, LLC	100%	DE
UGI Storage Company	100%	PA
UGI PennEast, LLC	100%	DE

<u>SUBSIDIARY</u>	<u>OWNERSHIP</u>	<u>STATE OF INCORPORATION</u>
PennEast Pipeline Company, LLC	20%	DE
UGI HVAC ENTERPRISES, INC.	100%	DE
UGI INTERNATIONAL (CHINA), INC.	100%	DE
UGI INTERNATIONAL (ROMANIA), INC.	100%	PA
UGI INTERNATIONAL ENTERPRISES, INC.	100%	PA
UGI Europe, Inc.	100%	DE
UGI International Holdings BV	100%	NETHERLANDS
Flaga GmbH (3)	100%	AUSTRIA
Flaga Supply and Services GmbH (Austria)	100%	AUSTRIA
Kosan Gas A/S	100%	DENMARK
Kosan Gas Sverige AB	100%	SWEDEN
Kosan Gas Norge A/S	100%	NORWAY
Kosan Gas Finland Oy	100%	FINLAND
Flaga Suisse GmbH	100%	SWITZERLAND
Zentraleuropa LPG Holding GmbH	100%	AUSTRIA
AmeriGas Polska Sp. z.o.o.	100%	POLAND
Flaga GPL Romania S.r.l.	100%	ROMANIA
SC Carpatgas S.R.L.	(4)	ROMANIA
Flaga LPG SA	77.99%	ROMANIA
Flaga s.r.o.	100%	CZECH REPUBLIC
ECO Energy Service s.r.o.	(5)	CZECH REPUBLIC
Propantrans s.r.o.	50%	CZECH REPUBLIC
Flaga spol s.r.o.	100%	SLOVAKIA
ECO Energy Service spol s.r.o.	100%	SLOVAKIA
Flaga Gaz Magyarorszag Kft.	100%	HUNGARY
UGI Bordeaux Holding	100%	FRANCE
Antargaz Belgium N.V.	(6)	BELGIUM
Antargaz Nederland B.V.	100%	NETHERLANDS
Antargaz Luxembourg S.A.	100%	LUXEMBOURG
Gasbottling N.V.	(7)	BELGIUM
Energy Sud S.A.	(8)	BELGIUM
AGZ Holding	100%	FRANCE
Antargaz (9)	100%	FRANCE
Aquitaine Rhone Gaz	100%	FRANCE
Gaz Energie Distribution	100%	FRANCE
Norgal	52.66%	FRANCE
Rhone Gaz	50.62%	FRANCE
Sigap Ouest	66%	FRANCE
Sobegal	72%	FRANCE
Gie Donges	50%	FRANCE
Cobogal	15%	FRANCE
SP Queven	50%	FRANCE
Geovexin	44.9%	FRANCE
Groupelement Technique Citernes	16.67%	FRANCE

<u>SUBSIDIARY</u>	<u>OWNERSHIP</u>	<u>STATE OF INCORPORATION</u>
Geogaz - Lavera	16.67%	FRANCE
UGI Midlands Limited	100%	UNITED KINGDOM
AvantiGas Limited	100%	UNITED KINGDOM
Amazon Gas Limited	100%	UNITED KINGDOM
Avanti Renewables Limited	50%	UNITED KINGDOM
UGI ROMANIA, INC.	100%	PA
UGI PROPERTIES, INC.	100%	PA
UGI UTILITIES, INC.	100%	PA
OPERATION SHARE ENERGY FUND	100%	PA
UGI ENERGY VENTURES, INC.	100%	DE
UGI PENN NATURAL GAS, INC.	100%	PA
UGI Penn HVAC Services, Inc.	100%	PA
UGI CENTRAL PENN GAS, INC.	100%	PA
UGI Central Penn Propane, LLC	100%	PA
UGI Petroleum Products of Delaware, Inc.	100%	DE
UGI STONERIDGE I, LLC	100%	DE
UGI Stoneridge II, LLC	100%	DE
UNITED VALLEY INSURANCE COMPANY	100%	VT

- (1) AmeriGas Propane, Inc. and its subsidiary, Petrolane Incorporated, hold a combined 26% (approx.) interest in AmeriGas Partners, L.P.
- (2) 1.0101% owned by AmeriGas Propane, Inc., the General Partner, 98.8899% owned by AmeriGas Partners, L.P., a Limited Partner and 0.1% owned by AmeriGas Eagle Holdings, Inc., a Limited Partner.
- (3) A nominal share is held by Reinhard Schoëdlbauer.
- (4) 99.996% owned by Flaga GPL Romania S.R.L. and .0004% owned by Zentraleuropa LPG Holding GmbH.
- (5) 90% owned by Flaga s.r.o. and 10% owned by ECO Energy Service spol s.r.o.
- (6) .09% owned by UGI Bordeaux Holding and 99.91% owned by AGZ Holding.
- (7) 99.5% owned by Antargaz Belgium N.V. and .5% owned by Antargaz Luxembourg S.A.
- (8) 90% owned by Antargaz Belgium N.V. and 10% owned by Antargaz Luxembourg S.A.
- (9) A nominal share is held by each of Lon R. Greenberg, Matthew A. Woodward, Eric Naddeo, Monica M. Gaudiosi, Kirk R. Oliver, John L. Walsh, and HC Conseil SARL (Mr. Hervé Couffin).

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-186178, 333-167099, 333-22305, 333-49080, 333-104938, 333-118147 and 333-142010) of UGI Corporation of our report dated November 28, 2014 relating to the financial statements, financial statement schedules and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Philadelphia, PA
November 28, 2014

CERTIFICATION

I, John L. Walsh, certify that:

1. I have reviewed this annual report on Form 10-K 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(s) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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(s) 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 (or persons performing the equivalent functions):
 - (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: November 28, 2014

/s/ John L. Walsh

John L. Walsh

President and Chief Executive Officer of
UGI Corporation

CERTIFICATION

I, Kirk R. Oliver, certify that:

1. I have reviewed this annual report on Form 10-K 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(s) 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 (the registrant's fourth fiscal quarter in the case of an annual report) 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(s) 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 (or persons performing the equivalent functions):
 - (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: November 28, 2014

/s/ Kirk R. Oliver

Kirk R. Oliver

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, John L. Walsh, Chief Executive Officer, and I, Kirk R. Oliver, Chief Financial Officer, of UGI Corporation, a Pennsylvania corporation (the “Company”), hereby certify that to our knowledge:

- (1) The Company’s annual report on Form 10-K for the period ended September 30, 2014 (the “Form 10-K”) 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-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

CHIEF EXECUTIVE OFFICER

/s/ John L. Walsh

John L. Walsh

Date: November 28, 2014

CHIEF FINANCIAL OFFICER

/s/ Kirk R. Oliver

Kirk R. Oliver

Date: November 28, 2014