

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2019

OR

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

For the transition period from _____ to _____

Commission file number 1-13692

AMERIGAS PARTNERS, L.P.

(Exact name of registrant as specified in its charters)

Delaware

23-2787918

(State or Other Jurisdiction of Incorporation or Organization)

(I.R.S. Employer Identification No.)

460 North Gulph Road, King of Prussia, PA 19406

(Address of Principal Executive Offices) (Zip Code)

(610) 337-7000

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	Trading Symbol(s)	Name of each exchange on which registered
Common Units representing limited partner interests	APU	New York Stock Exchange, Inc.

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

Large accelerated filer Accelerated filer Non-accelerated filer
Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

At April 30, 2019, there were 92,999,294 Common Units of AmeriGas Partners, L.P. outstanding.

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GLOSSARY OF TERMS AND ABBREVIATIONS

Terms and abbreviations used in this Form 10-Q are defined below:

AmeriGas Partners, L.P. and Related Entities

AmeriGas OLP - AmeriGas Propane, L.P., the principal operating subsidiary of AmeriGas Partners

AmeriGas Partners - AmeriGas Partners, L.P., the publicly-traded master limited partnership

AmeriGas Propane Holdings, Inc. - A Delaware corporation and an indirect wholly-owned subsidiary of UGI

AmeriGas Propane Holdings, LLC - A Delaware limited liability company and an indirect wholly-owned subsidiary of UGI

Energy Services - UGI Energy Services, LLC, a wholly owned subsidiary of UGI

General Partner - AmeriGas Propane, Inc., the general partner of AmeriGas Partners and AmeriGas OLP

GP Audit Committee - The audit committee of the GP Board

GP Board - The board of directors of the General Partner

Merger Sub - AmeriGas Propane Holdings, LLC

Partnership - AmeriGas Partners, AmeriGas OLP and all of their subsidiaries collectively

UGI - UGI Corporation

Other Terms and Abbreviations

2018 Annual Report - AmeriGas Partners Annual Report on Form 10-K for the fiscal year ended September 30, 2018

2018 six-month period - Six-month period ended March 31, 2018

2018 three-month period - Three-month period ended March 31, 2018

2019 six-month period - Six-month period ended March 31, 2019

2019 three-month period - Three-month period ended March 31, 2019

Adjusted EBITDA - A non-GAAP financial measure comprising the Partnership's EBITDA as adjusted for the effects of gains and losses on commodity derivative instruments not associated with current-period transactions and other gains and losses that competitors do not necessarily have

ASC - Accounting Standards Codification

ASC 605 - ASC 605, "Revenue Recognition"

ASC 606 - ASC 606, "Revenue from Contracts with Customers"

ASU - Accounting Standards Update

Common Units - Limited partnership ownership interests in AmeriGas Partners

Credit Agreement - Revolving Credit Agreement issued by AmeriGas OLP expiring in December 2022

EBITDA - A non-GAAP financial measure comprising the Partnership's earnings before interest expense, income taxes, depreciation and amortization

Exchange Act - Securities Exchange Act of 1934, as amended

FASB - Financial Accounting Standards Board

FDIC - Federal Deposit Insurance Corporation

GAAP - U.S. generally accepted accounting principles

IDR - Incentive distribution right

Merger Agreement - Agreement and Plan of Merger, dated as of April 1, 2019, among UGI, AmeriGas Propane Holdings, Inc., AmeriGas Propane Holdings, LLC, AmeriGas Partners and AmeriGas Propane

MGP - Manufactured gas plant

MLP - Master limited partnership

NOAA - National Oceanic and Atmospheric Administration

NPNS - Normal purchase and normal sale

NYDEC - New York State Department of Environmental Conservation

Partnership Agreement - Fourth Amended and Restated Agreement of Limited Partnership of AmeriGas Partners dated as of July 27, 2009, as amended

Proposed Merger - The transaction contemplated by the Merger Agreement pursuant to which AmeriGas Propane Holdings, LLC will merge with and into the Partnership, with the Partnership surviving as an indirect wholly owned subsidiary of UGI

PRP - Potentially responsible party

ROD - Record of Decision

SEC - U.S. Securities and Exchange Commission

Special Meeting - Special meeting of holders of Common Units to be held at a future date to approve (i) the Merger Agreement and the transactions contemplated thereby, including the Proposed Merger, (ii) the adjournment of the Special Meeting, if necessary, to solicit additional proxies if there are not sufficient votes to approve the Merger Agreement and the transactions contemplated thereby, including the Proposed Merger, at the time of the Special Meeting and (iii) a non-binding advisory vote regarding certain compensation arrangements that may be payable to AmeriGas Partners' named executive officers in connection with the completion of the Proposed Merger

Support Agreement - Agreement between the Partnership and the General Partner, dated as of April 1, 2019, pursuant to which the General Partner has agreed to vote all Common Units that it or its affiliates beneficially own as of the record date of the Special Meeting in favor of the Merger Agreement and the transactions contemplated thereby, including the Proposed Merger, at the Special Meeting

TCJA - Tax Cuts and Jobs Act

TPH - Tudor, Pickering Holt & Co. Advisors LP

Western Missouri District Court - The United States District Court for the Western District of Missouri

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

PART I FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited)
(Thousands of dollars)

	March 31, 2019	September 30, 2018	March 31, 2018
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,478	\$ 6,878	\$ 4,736
Accounts receivable (less allowances for doubtful accounts of \$15,801, \$12,825 and \$16,283, respectively)	354,322	206,576	342,226
Accounts receivable — related parties	3,632	3,248	4,599
Inventories	115,353	130,527	119,873
Derivative instruments	—	38,661	10,903
Prepaid expenses and other current assets	61,246	66,001	69,152
Total current assets	536,031	451,891	551,489
Property, plant and equipment (less accumulated depreciation of \$1,198,477, \$1,151,726 and \$1,209,985, respectively)	1,129,620	1,148,383	1,174,529
Goodwill	2,003,671	2,003,671	2,001,960
Intangible assets, net	259,362	279,608	370,859
Derivative instruments	—	6,347	266
Other assets	53,235	35,918	41,867
Total assets	\$ 3,981,919	\$ 3,925,818	\$ 4,140,970
LIABILITIES AND PARTNERS' CAPITAL			
Current liabilities:			
Current maturities of long-term debt	\$ 8,320	\$ 8,626	\$ 8,417
Short-term borrowings	236,000	232,000	154,500
Accounts payable — trade	162,975	137,050	148,247
Accounts payable — related parties	790	1,482	155
Customer deposits and advances	44,486	91,829	49,979
Derivative instruments	7,848	—	160
Other current liabilities	198,713	207,041	207,608
Total current liabilities	659,132	678,028	569,066
Long-term debt	2,561,188	2,561,007	2,563,942
Other noncurrent liabilities	128,455	117,115	128,566
Total liabilities	3,348,775	3,356,150	3,261,574
Commitments and contingencies (Note 6)			
Partners' capital:			
AmeriGas Partners, L.P. partners' capital:			
Common unitholders (units issued — 92,998,220, 92,977,072 and 92,976,504, respectively)	585,897	523,925	827,473
General partner	13,533	12,682	15,751
Total AmeriGas Partners, L.P. partners' capital	599,430	536,607	843,224
Noncontrolling interest	33,714	33,061	36,172
Total partners' capital	633,144	569,668	879,396
Total liabilities and partners' capital	\$ 3,981,919	\$ 3,925,818	\$ 4,140,970

See accompanying notes to condensed consolidated financial statements.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(Thousands of dollars, except per unit amounts)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2019	2018	2019	2018
Revenues:				
Propane	\$ 899,893	\$ 967,789	\$ 1,642,793	\$ 1,679,253
Other	71,698	72,543	149,011	148,375
	<u>971,591</u>	<u>1,040,332</u>	<u>1,791,804</u>	<u>1,827,628</u>
Costs and expenses:				
Cost of sales — propane (excluding depreciation and amortization shown below)	399,857	495,644	835,272	839,995
Cost of sales — other (excluding depreciation and amortization shown below)	18,229	19,284	39,815	40,278
Operating and administrative expenses	249,930	251,449	485,068	481,788
Depreciation and amortization	44,269	45,151	89,978	92,575
Other operating income, net	(5,358)	(7,013)	(11,077)	(11,650)
	<u>706,927</u>	<u>804,515</u>	<u>1,439,056</u>	<u>1,442,986</u>
Operating income	264,664	235,817	352,748	384,642
Interest expense	(42,214)	(40,995)	(84,568)	(81,572)
Income before income taxes	222,450	194,822	268,180	303,070
Income tax expense	(697)	(656)	(1,106)	(3,034)
Net income including noncontrolling interest	221,753	194,166	267,074	300,036
Deduct net income attributable to noncontrolling interest	(2,619)	(2,342)	(3,454)	(3,791)
Net income attributable to AmeriGas Partners, L.P.	<u>\$ 219,134</u>	<u>\$ 191,824</u>	<u>\$ 263,620</u>	<u>\$ 296,245</u>
General partner's interest in net income attributable to AmeriGas Partners, L.P.	<u>\$ 13,753</u>	<u>\$ 13,249</u>	<u>\$ 25,529</u>	<u>\$ 25,621</u>
Limited partners' interest in net income attributable to AmeriGas Partners, L.P.	<u>\$ 205,381</u>	<u>\$ 178,575</u>	<u>\$ 238,091</u>	<u>\$ 270,624</u>
Income per limited partner unit (see Note 2):				
Basic	<u>\$ 1.59</u>	<u>\$ 1.44</u>	<u>\$ 2.24</u>	<u>\$ 2.41</u>
Diluted	<u>\$ 1.59</u>	<u>\$ 1.44</u>	<u>\$ 2.24</u>	<u>\$ 2.41</u>
Weighted-average limited partner units outstanding (thousands):				
Basic	<u>93,080</u>	<u>93,035</u>	<u>93,072</u>	<u>93,027</u>
Diluted	<u>93,110</u>	<u>93,074</u>	<u>93,118</u>	<u>93,079</u>

See accompanying notes to condensed consolidated financial statements.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(Thousands of dollars)

	Six Months Ended March 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income including noncontrolling interest	\$ 267,074	\$ 300,036
Adjustments to reconcile net income including noncontrolling interest to net cash provided by operating activities:		
Depreciation and amortization	89,978	92,575
Provision for uncollectible accounts	9,050	10,228
Change in unrealized gains and losses on derivatives instruments	61,363	30,437
Other, net	(259)	1,385
Net change in:		
Accounts receivable	(157,180)	(155,604)
Inventories	15,174	(3,195)
Accounts payable	25,233	28,462
Derivative instruments collateral deposits paid	(7,270)	(7,991)
Other current assets	(1,740)	(11,297)
Other current liabilities	(54,031)	(54,616)
Net cash provided by operating activities	<u>247,392</u>	<u>230,420</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(56,844)	(47,196)
Proceeds from disposals of assets	6,542	7,497
Net cash used by investing activities	<u>(50,302)</u>	<u>(39,699)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions	(201,359)	(201,315)
Noncontrolling interest activity	(2,801)	(2,791)
Increase in short-term borrowings	4,000	14,500
Repayment of long-term debt	(2,003)	(1,656)
Other	(327)	(2,039)
Net cash used by financing activities	<u>(202,490)</u>	<u>(193,301)</u>
Cash and cash equivalents decrease	<u>\$ (5,400)</u>	<u>\$ (2,580)</u>
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at end of period	\$ 1,478	\$ 4,736
Cash and cash equivalents at beginning of period	6,878	7,316
Cash and cash equivalents decrease	<u>\$ (5,400)</u>	<u>\$ (2,580)</u>

See accompanying notes to condensed consolidated financial statements.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL

(unaudited)

(Thousands of dollars, except unit amounts)

	Number of Common Units	Common unitholders	General partner	Total AmeriGas Partners, L.P. partners' capital	Noncontrolling interest	Total partners' capital
For the three months ended March 31, 2019:						
Balance December 31, 2018	92,987,318	\$ 468,470	\$ 12,120	\$ 480,590	\$ 32,325	\$ 512,915
Net income including noncontrolling interest		205,381	13,753	219,134	2,619	221,753
Distributions		(88,348)	(12,340)	(100,688)	(1,230)	(101,918)
Unit-based compensation expense		721		721		721
Common Units issued in connection with employee and director plans, net of tax withheld	10,902	(327)	—	(327)		(327)
Balance March 31, 2019	92,998,220	\$ 585,897	\$ 13,533	\$ 599,430	\$ 33,714	\$ 633,144

	Number of Common Units	Common unitholders	General partner	Total AmeriGas Partners, L.P. partners' capital	Noncontrolling interest	Total partners' capital
For the three months ended March 31, 2018:						
Balance December 31, 2017	92,963,340	\$ 736,966	\$ 14,832	\$ 751,798	\$ 35,050	\$ 786,848
Net income including noncontrolling interest		178,575	13,249	191,824	2,342	194,166
Distributions		(88,327)	(12,338)	(100,665)	(1,220)	(101,885)
Unit-based compensation expense		580		580		580
Common Units issued in connection with employee and director plans, net of tax withheld	13,164	(321)	8	(313)		(313)
Balance March 31, 2018	92,976,504	\$ 827,473	\$ 15,751	\$ 843,224	\$ 36,172	\$ 879,396

	Number of Common Units	Common unitholders	General partner	Total AmeriGas Partners, L.P. partners' capital	Noncontrolling interest	Total partners' capital
For the six months ended March 31, 2019:						
Balance September 30, 2018	92,977,072	\$ 523,925	\$ 12,682	\$ 536,607	\$ 33,061	\$ 569,668
Net income including noncontrolling interest		238,091	25,529	263,620	3,454	267,074
Distributions		(176,681)	(24,678)	(201,359)	(2,801)	(204,160)
Unit-based compensation expense		889		889		889
Common Units issued in connection with employee and director plans, net of tax withheld	21,148	(327)	—	(327)		(327)
Balance March 31, 2019	92,998,220	\$ 585,897	\$ 13,533	\$ 599,430	\$ 33,714	\$ 633,144

	Number of Common Units	Common unitholders	General partner	Total AmeriGas Partners, L.P. partners' capital	Noncontrolling interest	Total partners' capital
For the six months ended March 31, 2018:						
Balance September 30, 2017	92,958,586	\$ 733,104	\$ 14,795	\$ 747,899	\$ 35,172	\$ 783,071
Net income including noncontrolling interest		270,624	25,621	296,245	3,791	300,036
Distributions		(176,642)	(24,673)	(201,315)	(2,791)	(204,106)
Unit-based compensation expense		770		770		770
Common Units issued in connection with employee and director plans, net of tax withheld	17,918	(383)	8	(375)		(375)
Balance March 31, 2018	92,976,504	\$ 827,473	\$ 15,751	\$ 843,224	\$ 36,172	\$ 879,396

See accompanying notes to condensed consolidated financial statements.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Thousands of dollars, except per unit amounts and where indicated otherwise)

Note 1 — Nature of Operations

AmeriGas Partners is a publicly traded limited partnership that conducts a national propane distribution business through its principal operating subsidiary, AmeriGas OLP. AmeriGas Partners and AmeriGas OLP are Delaware limited partnerships. AmeriGas Partners, AmeriGas OLP and all of their subsidiaries are collectively referred to herein as the Partnership.

AmeriGas OLP is engaged in the distribution of propane and related equipment and supplies. AmeriGas OLP comprises the largest retail propane distribution business in the United States serving residential, commercial, industrial, motor fuel and agricultural customers in all 50 states.

At March 31, 2019, the General Partner, an indirect wholly owned subsidiary of UGI, held a 1% general partner interest in AmeriGas Partners and a 1.01% general partner interest in AmeriGas OLP. The General Partner also owns AmeriGas Partners Common Units. The remaining Common Units outstanding represents publicly held Common Units. AmeriGas Partners holds a 98.99% limited partner interest in AmeriGas OLP.

AmeriGas Partners and AmeriGas OLP have no employees. Employees of the General Partner conduct, direct and manage our operations. The General Partner is reimbursed monthly for all direct and indirect expenses it incurs on our behalf (see Note 9).

Proposed Merger

On April 1, 2019, we entered into the Merger Agreement, pursuant to which Merger Sub will merge with and into the Partnership, with the Partnership surviving as an indirect, wholly owned subsidiary of UGI. Under the terms of the Merger Agreement, at the effective time of the Proposed Merger, each outstanding Common Unit other than Common Units owned by UGI and its subsidiaries, including the General Partner, will be converted into the right to receive, at the election of each holder of such Common Units, one of the following forms of merger consideration:

- (i) 0.6378 shares of UGI common stock (such election, a "Share Election," such ratio of shares of UGI common stock received per Common Unit, the "Share Election Exchange Ratio");
- (ii) \$7.63 in cash, without interest, and 0.500 shares of UGI common stock (such election, a "Mixed Election," such ratio of shares of UGI common stock received per Common Unit, the "Mixed Election Exchange Ratio"); or
- (iii) \$35.325 in cash, without interest (such election, a "Cash Election").

The merger consideration is subject to proration designed to ensure that the total number of shares of UGI common stock issuable as merger consideration will equal approximately 34.6 million shares, and the amount of cash consideration paid will equal approximately \$530,000. Also, at the effective time of the Proposed Merger, the General Partner's 1% economic general partner interest in AmeriGas Partners, which includes its incentive distribution rights, will convert into (i) 10,615,711 Common Units, which will remain outstanding as partnership interests in AmeriGas Partners, and (ii) a non-economic general partner interest in AmeriGas Partners.

Completion of the Proposed Merger is subject to certain customary conditions, including, among others: (i) approval of the Merger Agreement by holders of a majority of the outstanding Common Units; (ii) there being no law or injunction prohibiting consummation of the transactions contemplated under the Merger Agreement; (iii) the effectiveness of a registration statement on Form S-4 relating to the issuance of shares of UGI common stock pursuant to the Merger Agreement; (iv) approval for listing on the New York Stock Exchange of the shares of UGI common stock issuable pursuant to the Merger Agreement; (v) subject to specified materiality standards, the accuracy of certain representations and warranties of the other party; and (vi) compliance by the respective parties in all material respects with their respective covenants.

Upon completion of the Proposed Merger, Common Units will no longer be publicly traded. Subject to the satisfaction or waiver of certain conditions, including the approval of the Merger Agreement by the Partnership's unitholders, the Proposed Merger is expected to close in the fourth quarter of Fiscal 2019.

See Note 10 for further information on the Proposed Merger.

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Thousands of dollars, except per unit amounts and where indicated otherwise)

Note 2 — Summary of Significant Accounting Policies

The accompanying condensed consolidated financial statements are unaudited and have been prepared in accordance with the rules and regulations of the SEC. They include all adjustments which we consider necessary for a fair statement of the results for the interim periods presented. Such adjustments consist only of normal recurring items unless otherwise disclosed. The September 30, 2018, Condensed Consolidated Balance Sheet was derived from audited financial statements but does not include all disclosures required by GAAP.

These financial statements should be read in conjunction with the Partnership's 2018 Annual Report. Weather significantly impacts demand for propane and profitability because many customers use propane for heating purposes. Due to the seasonal nature of the Partnership's propane business, the results of operations for interim periods are not necessarily indicative of the results to be expected for a full year.

Principles of Consolidation. The consolidated financial statements include the accounts of AmeriGas Partners, its majority-owned subsidiary AmeriGas OLP, and its 100%-owned finance subsidiaries AmeriGas Finance Corp., AmeriGas Eagle Finance Corp., AP Eagle Finance Corp., and AmeriGas Finance LLC. AmeriGas Partners and AmeriGas OLP are under the common control of the General Partner. The General Partner of AmeriGas OLP, which is also the General Partner of AmeriGas Partners, makes all decisions for AmeriGas OLP; limited partners of AmeriGas OLP do not have the ability to remove the General Partner or participate in the decision-making for AmeriGas OLP. The accounts of AmeriGas OLP are included based upon the determination that AmeriGas Partners has a controlling financial interest in and is the primary beneficiary of AmeriGas OLP. We eliminate intercompany accounts and transactions when we consolidate.

Revenue Recognition. Effective October 1, 2018, the Partnership adopted ASU No. 2014-09, "Revenue from Contracts with Customers," which, as amended, is included in ASC 606. This new accounting guidance supersedes previous revenue recognition requirements in ASC 605. ASC 606 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 entity expects to be entitled in exchange for those goods or services. The Partnership adopted this new accounting guidance using the modified retrospective transition method to those contracts which were not completed as of October 1, 2018. Periods prior to October 1, 2018, have not been restated and continue to be reported in accordance with ASC 605. Upon adoption, there were no cumulative effect adjustments made to the October 1, 2018, partners' capital balances. The adoption of ASC 606 did not, and is not expected to, have a material impact on the amount or timing of our revenue recognition and on our consolidated net income, cash flows or financial position.

Certain revenues are not within the scope of ASC 606 such as revenue from leases, financial instruments, other revenues that are not from contracts with customers, and other contractual rights or obligations and we account for such revenues in accordance with other GAAP. Revenue-related taxes collected on behalf of customers and remitted to taxing authorities, principally sales and use taxes, are not included in revenues. The Partnership has elected to use the practical expedient to expense the costs to obtain contracts when incurred as such amounts are generally not material.

See Note 4 for additional disclosures regarding the Partnership's revenue from contracts with customers.

Allocation of Net Income (Loss). Net income (loss) attributable to AmeriGas Partners, L.P. for partners' capital and statement of operations presentation purposes is allocated to the General Partner and the limited partners in accordance with their respective ownership percentages after giving effect to amounts distributed to the General Partner in excess of its 1% general partner interest in AmeriGas Partners based on its IDRs under the Partnership Agreement.

Income (Loss) Per Unit. Income (loss) per limited partner unit is computed in accordance with GAAP regarding the application of the two-class method for determining income (loss) per unit for MLPs when IDRs are present. The two-class method requires that income per limited partner unit be calculated as if all earnings for the period were distributed and requires a separate calculation for each quarter and year-to-date period. In periods when our net income attributable to AmeriGas Partners exceeds our Available Cash, as defined in the Partnership Agreement, and is above certain levels, the calculation according to the two-class method results in an increased allocation of undistributed earnings to the General Partner. Generally, in periods when our Available Cash in respect of the quarter or year-to-date periods exceeds our net income (loss) attributable to AmeriGas Partners, the calculation according to the two-class method results in an allocation of earnings to the General Partner greater than its relative ownership interest in the Partnership (or in the case of a net loss attributable to AmeriGas Partners, an allocation of such net loss to the Common Unitholders greater than their relative ownership interest in the Partnership).

AMERIGAS PARTNERS, L.P. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(unaudited)

(Thousands of dollars, except per unit amounts and where indicated otherwise)

The following table sets forth reconciliations of the numerators and denominators of the basic and diluted income per limited partner unit computations:

	Three Months Ended March 31,		Six Months Ended March 31,	
	2019	2018	2019	2018
Net income attributable to AmeriGas Partners, L.P.	\$ 219,134	\$ 191,824	\$ 263,620	\$ 296,245
Adjust for general partner share and theoretical distributions of net income attributable to AmeriGas Partners, L.P. to the general partner in accordance with the two-class method for MLPs	(70,959)	(57,451)	(55,489)	(71,653)
Common Unitholders' interest in net income attributable to AmeriGas Partners, L.P. under the two-class method for MLPs	\$ 148,175	\$ 134,373	\$ 208,131	\$ 224,592
Weighted average Common Units outstanding — basic (thousands)	93,080	93,035	93,072	93,027
Potentially dilutive Common Units (thousands)	30	39	46	52
Weighted average Common Units outstanding — diluted (thousands)	93,110	93,074	93,118	93,079

Theoretical distributions of net income attributable to AmeriGas Partners, L.P. in accordance with the two-class method resulted in an increased allocation of net income attributable to AmeriGas Partners, L.P. to the General Partner in the computation of income per limited partner unit which had the effect of decreasing earnings per limited partner unit for the three months ended March 31, 2019 and 2018, by \$0.62 and \$0.48, respectively, and for the six months ended March 31, 2019 and 2018, by \$0.32 and \$0.49, respectively

Potentially dilutive Common Units included in the diluted limited partner units outstanding computation reflect the effects of restricted Common Unit awards granted under the General Partner's incentive compensation plans.

Derivative Instruments. Derivative instruments are reported on the Condensed Consolidated Balance Sheets at their fair values, unless the NPNS exception is elected. The accounting for changes in fair value depends upon the purpose of the derivative instrument and whether it qualifies and is designated as a hedge for accounting purposes. We do not currently have derivative instruments that are designated and qualify as cash flow hedges. Changes in the fair values of our commodity derivative instruments are reflected in "Cost of sales — propane" on the Condensed Consolidated Statements of Operations. Cash flows from commodity derivative instruments are included in cash flows from operating activities on the Condensed Consolidated Statements of Cash Flows.

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 8.

Use of Estimates. 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.

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

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Note 3 — Accounting Changes

New Accounting Standards Adopted Effective October 1, 2018

Revenue Recognition. Effective October 1, 2018, the Partnership adopted new accounting guidance regarding revenue recognition. See Notes 2 and 4 for a detailed description of the impact of the new guidance and related disclosures.

Cloud Computing Implementation Costs. In August 2018, the FASB issued ASU No. 2018-15, “Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract.” The new guidance requires a customer in a cloud computing arrangement that is a service contract to capitalize certain implementation costs as if the arrangement was an internal-use software project. These deferred implementation costs are expensed over the fixed, noncancelable term of the service arrangement plus any reasonably certain renewal periods. The new guidance also requires the entity to present the expense related to the capitalized implementation costs in the same income statement line as the hosting service fees; to classify payments for capitalized implementation costs in the statement of cash flows in the same manner as payments for hosting service fees; and to present the capitalized implementation costs in the balance sheet in the same line item in which prepaid hosting service fees are presented. The new guidance can be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption. We adopted this ASU effective October 1, 2018, and applied the guidance prospectively to all implementation costs associated with cloud computing arrangements that are service contracts incurred beginning October 1, 2018. The adoption of the new guidance did not have a material impact on our results of operations for the three and six months ended March 31, 2019.

Accounting Standards Not Yet Adopted

Fair Value Measurements Disclosures. In August 2018, the FASB issued ASU No. 2018-13, “Changes to the Disclosure Requirements for Fair Value Measurement.” This ASU modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. The amendments in this ASU are effective for annual periods beginning October 1, 2020 (Fiscal 2021). The guidance regarding removing and modifying disclosures will be adopted on a retrospective basis and the guidance regarding new disclosures will be adopted on a prospective basis. Early adoption is permitted. The Partnership is in the process of assessing the impact on its financial statement disclosures from the adoption of the new guidance and determining the period in which the new guidance will be adopted.

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Derivatives and Hedging. In August 2017, the FASB issued ASU No. 2017-12, "Targeted Improvements to Accounting for Hedging Activities." This ASU amends and simplifies existing guidance to allow companies to more accurately present the economic effects of risk management activities in the financial statements. The amendments in this ASU are effective for the Partnership for interim and annual periods beginning October 1, 2019 (Fiscal 2020). Early adoption is permitted. For cash flow and net investment hedges as of the adoption date, the guidance requires a modified retrospective approach. The amended presentation and disclosure guidance is required prospectively. The Partnership is in the process of assessing the impact on its financial statements from the adoption of the new guidance and determining the period in which the new guidance will be adopted.

Leases. In February 2016, the FASB issued ASU No. 2016-02, "Leases." This ASU, as subsequently updated, amends existing guidance to require entities that lease assets to recognize the assets and liabilities for the rights and obligations created by those leases on the balance sheet. The new guidance also requires additional disclosures about the amount, timing and uncertainty of cash flows from leases. The amendments in this ASU are effective for the Partnership for interim and annual periods beginning October 1, 2019 (Fiscal 2020). Early adoption is permitted. Lessees must apply a modified retrospective transition approach for leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements unless an entity chooses the transition option in ASU 2018-11, "Leases: Targeted Improvements" which, among other things, provides entities with a transition option to recognize the cumulative-effect adjustment from the modified retrospective application to the opening balance of retained earnings in the period of adoption. We will adopt ASU No. 2016-02, as updated, effective October 1, 2019 and expect to elect the transition option which would allow the Partnership to maintain historical presentation for periods before October 1, 2019. The Partnership has completed a preliminary assessment for evaluating the impact of the guidance and anticipates that its adoption will result in a significant amount of right-of-use assets and lease liabilities for leases in effect at the adoption date. The Partnership has begun implementation activities including accumulating contracts and lease data in formats compatible with a new lease management system that will assist with the initial adoption and future reporting required by the standard.

Note 4 — Revenue from Contracts with Customers

We recognize revenue when control of the promised goods or services is transferred to our customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. The Partnership generally has the right to consideration from a customer in an amount that corresponds directly with the value to the customer for our performance completed to date. As such, we elected to recognize revenue in the amount to which we have a right to invoice.

We do not have a significant financing component in our contracts because we receive payment shortly before, at, or shortly after the transfer of control of the good or service. Because the period between the time the performance obligation is satisfied and payment received is one year or less, the Partnership has elected to apply the significant financing component practical expedient and no amount of consideration has been allocated as a financing component.

The Partnership records revenue principally from the sale of propane to retail and wholesale customers. The primary performance obligation associated with the sale of propane is the delivery of propane to (1) the customer's point of delivery for retail customers and (2) the customer's specified location where propane is picked up by wholesale customers, at which point control of the propane is transferred to the customer, the performance obligation is satisfied, and the associated revenue is recognized. For contracts with retail customers that consume propane from a metered tank, the Partnership recognizes revenue as the propane is consumed, at which point we have the right to invoice, and generally invoice monthly based on consumption.

Contracts with customers comprise different types of contracts with varying length terms, fixed or variable prices, and fixed or variable quantities. Contracts with our residential customers, which comprise a substantial number of our customer contracts, are generally one year or less. Customer contracts for the sale of propane include fixed-price, fixed-quantity contracts under which propane is provided to a customer at a fixed price and a fixed volume, and contracts that provide for the sale of propane at market prices at date of delivery with no fixed volumes. The Partnership offers contracts that permit the customer to lock in a fixed price for their volumes for a fee and also provide the customer with the option to pre-buy a fixed amount of propane at a fixed price. Amounts received under pre-buy arrangements are recorded as a contract liability when received and recorded as revenue when propane is delivered and control is transferred to the customer. Fees associated with fixed-price contracts are recorded as contract liabilities and recorded ratably over the contract period.

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The Partnership also distributes propane to customers in portable cylinders. Under certain contracts, filled cylinders are delivered, and control is transferred, to a reseller. In such instances, the reseller is our customer and we record revenue upon delivery to the reseller. Under other contracts, filled cylinders are delivered to a reseller, but the Partnership retains control of the cylinders. In such instances, we record revenue at the time the reseller transfers control of the cylinder to the customer.

Certain retail propane customers receive credits which we account for as variable consideration. We estimate these credits based upon past practices and historical customer experience and we reduce our revenues recognized for these credits.

Other revenues from contracts with customers are generated primarily from certain fees the Partnership charges associated with the delivery of propane including hazmat safety compliance, inspection, metering, installation, fuel recovery and certain other services. Revenues from fees are typically recorded when the propane is delivered to the customer or the associated service is completed. Other revenues from contracts with customers are also generated from the Partnership's parts and service business. The performance obligations of this business include installation and repair services. The performance obligations under these contracts are satisfied, and revenue is recognized, as control of the product is transferred or the services are rendered.

Contract Balances

The timing of revenue recognition may differ from the timing of invoicing to customers or cash receipts. Contract assets represent the Partnership's right to consideration after the performance obligations have been satisfied when such right is conditioned on something other than the passage of time. Contract assets were not material at March 31, 2019. Substantially all of the Partnership's receivables are unconditional rights to consideration and are included in "Accounts receivable" on the Condensed Consolidated Balance Sheets. Amounts billed are generally due within the following month.

Contract liabilities arise when payment from a customer is received before the performance obligations have been satisfied and represent the Partnership's obligations to transfer goods or services to a customer for which the Partnership has received consideration from the customer. The balances of contract liabilities were \$41,491 and \$93,393 at March 31, 2019 and October 1, 2018, respectively, and are included in "Customer deposits and advances" and "Other current liabilities" on the Condensed Consolidated Balance Sheets. Revenue recognized for the six months ended March 31, 2019, from the amount included in contract liabilities at October 1, 2018 was \$68,968.

Revenue Disaggregation

The following table presents our disaggregated revenues for the three and six months ended March 31, 2019:

	Three Months Ended March 31, 2019	Six Months Ended March 31, 2019
Revenues from contracts with customers:		
Propane:		
Retail	\$ 874,647	\$ 1,596,544
Wholesale	25,246	46,249
Other	57,152	117,710
Total revenues from contracts with customers	957,045	1,760,503
Other revenues (a)	14,546	31,301
Total revenues	\$ 971,591	\$ 1,791,804

(a) Primarily represents revenues from tank rentals that are not within the scope of ASC 606 and accounted for in accordance with other GAAP.

Remaining Performance Obligations

The Partnership has elected to use practical expedients as allowed in ASC 606 to exclude disclosures related to the aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period

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because these contracts have an initial expected term of one year or less or we have a right to bill the customer in an amount that corresponds directly with the value of services provided to the customer to date.

Note 5 — Goodwill and Intangible Assets

The Partnership's goodwill and intangible assets comprise the following:

	March 31, 2019	September 30, 2018	March 31, 2018
Goodwill (not subject to amortization)	\$ 2,003,671	\$ 2,003,671	\$ 2,001,960
Intangible assets:			
Customer relationships and noncompete agreements	\$ 496,902	\$ 497,373	\$ 496,739
Trademarks and tradenames	7,944	7,944	—
Accumulated amortization	(245,484)	(225,709)	(208,824)
Intangible assets, net (definite-lived)	259,362	279,608	287,915
Trademarks and tradenames (indefinite-lived)	—	—	82,944
Total intangible assets, net	\$ 259,362	\$ 279,608	\$ 370,859

Amortization expense of intangible assets was \$10,105 and \$9,573 for the three months ended March 31, 2019 and 2018, respectively. Amortization expense of intangible assets was \$20,245 and \$19,180 for the six months ended March 31, 2019 and 2018, respectively. No amortization expense is included in cost of sales on the Condensed Consolidated Statements of Operations. The estimated aggregate amortization expense of intangible assets for the remainder of Fiscal 2019 and the next four fiscal years is as follows: remainder of Fiscal 2019 — \$20,144; Fiscal 2020 — \$39,152; Fiscal 2021 — \$35,914; Fiscal 2022 — \$32,963; Fiscal 2023 — \$31,627.

Note 6 — Commitments and Contingencies**Contingencies**

Saranac Lake Environmental Matter. In 2008, the NYDEC notified AmeriGas OLP that the NYDEC had placed property purportedly owned by AmeriGas OLP in Saranac Lake, New York on the New York State Registry of Inactive Hazardous Waste Disposal Sites. A site characterization study performed by the NYDEC disclosed contamination related to a former MGP. AmeriGas OLP responded to the NYDEC in 2009 to dispute the contention it was a PRP as it did not operate the MGP and appeared to only own a portion of the site. In 2017, the NYDEC communicated to AmeriGas OLP that the NYDEC had previously issued three RODs related to remediation of the site totaling approximately \$27,700 and requested additional information regarding AmeriGas OLP's purported ownership. AmeriGas renewed its challenge to designation as a PRP and identified potential defenses. The NYDEC subsequently identified a third party PRP with respect to the site.

The NYDEC commenced implementation of the remediation plan in the spring of 2018. Based on our evaluation of the available information, the Partnership accrued an undiscounted environmental remediation liability of \$7,545 related to the site during the third quarter of Fiscal 2017. Our share of the actual remediation costs could be significantly more or less than the accrued amount.

Purported Class Action Lawsuits. Between May and October of 2014, purported class action lawsuits were filed in multiple jurisdictions against the Partnership/UGI and a competitor by certain of their direct and indirect customers. The class action lawsuits allege, among other things, that the Partnership and its competitor colluded, beginning in 2008, to reduce the fill level of portable propane cylinders from 17 pounds to 15 pounds and combined to persuade their 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 Missouri District Court. As the result of rulings on a series of procedural filings, including petitions filed with the Eighth Circuit and the U.S. Supreme Court, both the federal and state law claims of the direct customer plaintiffs and the

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state law claims of the indirect customer plaintiffs were remanded to the Western Missouri District Court. The decision of the Western Missouri District Court to dismiss the federal antitrust claims of the indirect customer plaintiffs was upheld by the Eighth Circuit. On April 15, 2019, the Western Missouri District Court ruled that it has jurisdiction over the indirect purchasers' state law claims and that the indirect customer plaintiffs have standing to pursue those claims.

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 financial statements.

Note 7 — Fair Value Measurements**Recurring Fair Value Measurements - Derivative Instruments**

The following table presents, on a gross basis, our derivative assets and liabilities, including both current and noncurrent portions, that are measured at fair value on a recurring basis within the fair value hierarchy:

	Asset (Liability)			
	Level 1	Level 2	Level 3	Total
March 31, 2019:				
Assets:				
Commodity contracts	\$ —	\$ 1,569	\$ —	\$ 1,569
Liabilities:				
Commodity contracts	\$ —	\$ (10,654)	\$ —	\$ (10,654)
September 30, 2018:				
Assets:				
Commodity contracts	\$ —	\$ 52,529	\$ —	\$ 52,529
Liabilities:				
Commodity contracts	\$ —	\$ (251)	\$ —	\$ (251)
March 31, 2018:				
Assets:				
Commodity contracts	\$ —	\$ 12,414	\$ —	\$ 12,414
Liabilities:				
Commodity contracts	\$ —	\$ (3,048)	\$ —	\$ (3,048)

The fair values of our non-exchange traded commodity derivative contracts included in Level 2 are based upon indicative price quotations available through brokers, industry price publications or recent market transactions and related market indicators.

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. 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). The carrying amount and estimated fair value of our long-term debt (including current maturities but excluding unamortized debt issuance costs) at March 31, 2019, September 30, 2018 and March 31, 2018 were as follows:

	March 31, 2019	September 30, 2018	March 31, 2018
Carrying amount	\$ 2,595,061	\$ 2,597,131	\$ 2,601,802
Estimated fair value	\$ 2,598,727	\$ 2,562,206	\$ 2,535,839

Financial instruments other than derivative instruments, such as short-term investments and trade accounts receivable, could expose us to concentrations of credit risk. We limit 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 arising from concentrations of trade accounts receivable is limited because we have a large customer base that extends across many different U.S. markets.

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Note 8 — Derivative Instruments and Hedging Activities

The Partnership is exposed to certain market risks associated with its ongoing business operations. Management uses derivative financial and commodity instruments, among other things, to manage these risks. The primary risk managed by derivative instruments is commodity price 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 the Partnership can use, counterparty credit limits and contract authorization limits. Although our commodity derivative instruments extend over a number of years, a significant portion of our commodity derivative instruments economically hedge commodity price risk during the next twelve months.

Commodity Price Risk

In order to manage market risk associated with the Partnership's fixed-price programs, the Partnership uses over-the-counter derivative commodity instruments, principally price swap contracts, to reduce propane price volatility associated with a portion of forecasted propane purchases. In addition, the Partnership from time to time enters into price swap agreements to reduce the effects of short term commodity price volatility. At March 31, 2019, September 30, 2018 and March 31, 2018, total volumes associated with propane commodity derivatives totaled 177.3 million gallons, 244.8 million gallons and 151.4 million gallons, respectively. At March 31, 2019, the maximum period over which we are economically hedging propane market price risk is 24 months.

Derivative Instruments Credit Risk

The Partnership is exposed to credit loss in the event of nonperformance by counterparties to derivative financial and commodity instruments. Our counterparties principally comprise major energy companies and major U.S. 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 these agreements call for the posting of collateral by the counterparty or by the Partnership in the forms of letters of credit, parental guarantees or cash. Although we have concentrations of credit risk associated with derivative instruments held by certain derivative instrument counterparties, the maximum amount of loss due to credit risk that, based upon the gross fair values of the derivative instruments, we would incur if these counterparties that make up the concentration failed to perform according to the terms of their contracts was not material at March 31, 2019. Certain of our derivative contracts have credit-risk-related contingent features that may require the posting of additional collateral in the event of a downgrade in the Partnership's debt rating. At March 31, 2019, 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 the Consolidated Balance Sheets if the right of offset exists. Our derivative instruments comprise over-the-counter transactions. Over-the-counter contracts are bilateral contracts that are transacted directly with a third party. Certain over-the-counter contracts contain contractual rights of offset through master netting arrangements 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 are subject to collateral requirements. Types of collateral generally include cash or letters of credit. Cash collateral paid by us to our over-the-counter derivative counterparties, if any, is reflected in the table below to offset derivative liabilities. Cash collateral received by us from our over-the-counter derivative counterparties, if any, is reflected in the table below to offset derivative assets. Certain other accounts receivable and accounts payable balances recognized on the 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.

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Fair Value of Derivative Instruments

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

	March 31, 2019	September 30, 2018	March 31, 2018
Derivative assets not designated as hedging instruments:			
Commodity contracts	\$ 1,569	\$ 52,529	\$ 12,414
Total derivative assets — gross	1,569	52,529	12,414
Gross amounts offset in the balance sheet	(1,569)	(251)	(1,245)
Cash collateral received	—	(7,270)	—
Total derivative assets — net	<u>\$ —</u>	<u>\$ 45,008</u>	<u>\$ 11,169</u>
Derivative liabilities not designated as hedging instruments:			
Commodity contracts	\$ (10,654)	\$ (251)	\$ (3,048)
Total derivative liabilities — gross	(10,654)	(251)	(3,048)
Gross amounts offset in the balance sheet	1,569	251	1,245
Total derivative liabilities — net (a)	<u>\$ (9,085)</u>	<u>\$ —</u>	<u>\$ (1,803)</u>

(a) Derivative liabilities with maturities greater than one year are recorded in “Other noncurrent liabilities” on the Condensed Consolidated Balance Sheets.

Effects of Derivative Instruments

The following table provides information on the effects of derivative instruments on the Condensed Consolidated Statements of Operations for the three and six months ended March 31, 2019 and 2018:

Three Months Ended March 31,	Gain (Loss) Recognized in Income		Location of Gain (Loss) Recognized in Income
	2019	2018	
Derivatives Not Designated as Hedging Instruments:			
Commodity contracts	<u>\$ 4,257</u>	<u>\$ (17,615)</u>	Cost of sales — propane
Derivatives Designated as Hedging Instruments:			
Six Months Ended March 31,	Gain (Loss) Recognized in Income		Location of Gain (Loss) Recognized in Income
	2019	2018	
Derivatives Not Designated as Hedging Instruments:			
Commodity contracts	<u>\$ (78,505)</u>	<u>\$ 1,999</u>	Cost of sales — propane
Derivatives Designated as Hedging Instruments:			

We are also a party to a number of contracts that have elements of a derivative instrument. These contracts include, among others, binding purchase orders, contracts that provide for the purchase and delivery of propane and service contracts that require the counterparty to provide commodity storage or transportation service to meet our normal sales commitments. Although certain of these contracts have the requisite elements of a derivative instrument, these contracts qualify for NPNS 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.

Note 9 — Related Party Transactions

Pursuant to the Partnership Agreement and a management services agreement, the General Partner is entitled to reimbursement for all direct and indirect expenses incurred or payments it makes on behalf of the Partnership. These costs, which totaled \$156,918 and \$157,113 for the three months ended March 31, 2019 and 2018, respectively, and \$308,965 and \$304,400 for the six months

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ended March 31, 2019 and 2018, respectively, include employee compensation and benefit expenses of employees of the General Partner and general and administrative expenses.

UGI provides certain financial and administrative services to the General Partner. UGI bills the General Partner monthly for all direct and indirect corporate expenses incurred in connection with providing these services and the General Partner is reimbursed by the Partnership for these expenses. The allocation of indirect UGI corporate expenses to the Partnership utilizes a weighted, three-component formula based on the relative percentage of the Partnership's revenues, operating expenses and net assets employed to the total of such items for all UGI operating subsidiaries for which general and administrative services are provided. The General Partner believes that this allocation method is reasonable and equitable to the Partnership. Such corporate expenses totaled \$5,037 and \$4,305 for the three months ended March 31, 2019 and 2018, respectively, and \$8,980 and \$8,018 for the six months ended March 31, 2019 and 2018, respectively. In addition, UGI and certain of its subsidiaries provide office space, stop loss medical coverage and automobile liability insurance to the Partnership. The costs incurred related to these items during the three and six months ended March 31, 2019 and 2018, were not material.

From time to time, AmeriGas OLP purchases propane on an as needed basis from Energy Services. The price of the purchases is generally based on market price at the time of purchase. Purchases of propane by AmeriGas OLP from Energy Services during the three and six months ended March 31, 2019 and 2018 were not material.

In addition, the AmeriGas OLP sells propane to affiliates of UGI. Sales of propane to affiliates of UGI during three and six months ended March 31, 2019 and 2018 were not material.

UGI Standby Commitment to Purchase AmeriGas Partners Class B Common Units

On November 7, 2017, AmeriGas Partners entered into a Standby Equity Commitment Agreement with the General Partner and UGI. Under the terms of the Standby Equity Commitment Agreement, UGI has committed to make up to \$225,000 of capital contributions to the Partnership through July 1, 2019. UGI's capital contributions may be made from time to time through July 1, 2019. There have been no capital contributions made to the Partnership under the Commitment Agreement, and the last date on which AmeriGas Partners may request a capital contribution, without the consent of UGI, is May 17, 2019.

In consideration for any capital contributions pursuant to the Commitment Agreement, the Partnership will issue to UGI or a wholly owned subsidiary new Class B Common Units representing limited partner interests in the Partnership. The Class B Common Units will be issued at a price per unit equal to the 20-day volume-weighted average price of the Partnership's Common Units prior to the date of the Partnership's related capital call. The Class B Common Units will be entitled to cumulative quarterly distributions at a rate equal to the annualized Common Units yield at the time of the applicable capital call, plus 130 basis points. The Partnership may choose to make the distributions in cash or in kind in the form of additional Class B Common Units. While outstanding, the Class B Common Units will not be subject to any incentive distributions from the Partnership.

Generally, at any time after five years from the initial issuance of the Class B Common Units, holders may elect to convert all or any portion of the Class B Common Units they own into Common Units on a one-for-one basis and at any time after six years from the initial issuance of the Class B Common Units, subject to certain conditions, the Partnership may elect to convert all or any portion of the Class B Common Units into Common Units.

Note 10 — Proposed Merger

On April 1, 2019, we entered into the Merger Agreement, pursuant to which Merger Sub will merge with and into the Partnership, with the Partnership surviving as an indirect, wholly owned subsidiary of UGI. Under the terms of the Merger Agreement, at the effective time of the Proposed Merger, each outstanding Common Unit other than Common Units owned by UGI and its subsidiaries, including the General Partner, will be converted into the right to receive, at the election of each holder of such Common Units, one of the following forms of merger consideration:

- (i) 0.6378 shares of UGI common stock;
- (ii) \$7.63 in cash, without interest, and 0.500 shares of UGI common stock; or
- (iii) \$35.325 in cash, without interest.

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The merger consideration is subject to proration designed to ensure that the total number of shares of UGI common stock issuable as merger consideration will equal approximately 34.6 million shares, and the amount of cash consideration paid will equal approximately \$530,000. Also, at the effective time of the Proposed Merger, the General Partner's 1% economic general partner interest in AmeriGas Partners, which includes its incentive distribution rights, will convert into (i) 10,615,711 Common Units, which will remain outstanding as partnership interests in AmeriGas Partners, and (ii) a non-economic general partner interest in AmeriGas Partners. Pursuant to the Merger Agreement, the General Partner will declare and cause to pay regular quarterly cash distributions on outstanding Common Units in accordance with the Partnership Agreement in an amount that will not be less than \$0.95 per Common Unit. In addition, the Merger Agreement requires that the record date for the quarterly cash distribution related to the quarter immediately prior to the quarter in which the closing of the Proposed Merger occurs be designated so that such record date precedes the closing of the Proposed Merger so as to permit the payment of such quarterly distribution to the holders of the Common Units; provided that the AmeriGas Partners' unitholders are not intended to receive, for any quarter, distributions both in respect of Common Units and also dividends in respect of shares of UGI common stock that they receive in exchange for such Common Units in the transaction.

Completion of the Proposed Merger is subject to certain customary conditions, including, among others: (i) approval of the Merger Agreement by holders of a majority of the outstanding Common Units; (ii) there being no law or injunction prohibiting consummation of the transactions contemplated under the Merger Agreement; (iii) the effectiveness of a registration statement on Form S-4 relating to the issuance of shares of UGI common stock pursuant to the Merger Agreement; (iv) approval for listing on the New York Stock Exchange of the shares of UGI common stock issuable pursuant to the Merger Agreement; (v) subject to specified materiality standards, the accuracy of certain representations and warranties of the other party; and (vi) compliance by the respective parties in all material respects with their respective covenants.

Pursuant to a Support Agreement, the General Partner has agreed to vote all Partnership Common Units that it or its affiliates beneficially own as of the record date of the Special Meeting in favor of the Merger Agreement and the Proposed Merger.

The Merger Agreement provides for certain termination rights for both UGI and the Partnership which, under certain circumstances, would require the Partnership to pay UGI a termination fee of \$20,000 and/or reimburse UGI for expenses in an amount not to exceed \$5,000 or require UGI to reimburse the Partnership for expenses not to exceed \$5,000.

Upon completion of the Proposed Merger, Common Units will no longer be publicly traded. Subject to the satisfaction or waiver of certain conditions, including the approval of the Merger Agreement by AmeriGas Partners' unitholders, the Proposed Merger is expected to close in the fourth quarter of Fiscal 2019. On May 6, 2019, UGI filed with the SEC its registration statement on Form S-4 relating to the Proposed Merger.

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

Forward-Looking Statements

Information contained in this Quarterly Report on Form 10-Q may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of 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 that 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 the capacity to transport propane to our customers; (3) the availability of, and our ability to consummate, acquisition or combination opportunities; (4) successful integration and future performance of acquired assets or businesses and achievement of anticipated synergies; (5) changes in laws and regulations, including safety, tax, consumer protection, environmental, and accounting matters; (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) customer, counterparty, supplier, or vendor defaults; (12) liability for uninsured claims and for claims in excess of insurance coverage, including those for personal injury and property damage arising from explosions, terrorism, and other catastrophic events that may result from operating hazards and risks incidental to transporting, storing and distributing propane, butane and ammonia; (13) political, regulatory and economic conditions in the United States and foreign countries; (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) the impact of pending and future legal proceedings; (17) the availability, timing, and success of our acquisitions and investments to grow our business; (18) the interruption, disruption, failure, malfunction, or breach of our information technology systems, including due to cyber attack; (19) the failure to realize the anticipated benefits of the Proposed Merger; (20) the possible diversion of management time on issues related to the Proposed Merger; (21) the risk that the requisite approvals to complete the Proposed Merger are not obtained; and (22) the potential need to address any reviews, investigations or other proceedings by governmental authorities or shareholder actions.

These factors, and those factors set forth in Item 1A. Risk Factors in this Form 10-Q and the Partnership's 2018 Annual Report, are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could also have material adverse effects on future results. We undertake no obligation to update publicly any forward-looking statement whether as a result of new information or future events except as required by the federal securities laws.

ANALYSIS OF RESULTS OF OPERATIONS

Fiscal 2019 and 2018 Quarterly Results

The following analyses compares the Partnership's results of operations for the 2019 three-month period with the 2018 three-month period, and the 2019 six-month period with the 2018 six-month period.

Our results are significantly influenced by temperatures in our service territories particularly during the heating season months of October through March. As a result, our operating results, after adjusting for the effects of gains and losses on commodity derivative instruments not associated with current-period transactions as further discussed below, are significantly higher in our first and second fiscal quarters.

AmeriGas Partners does not designate its propane commodity derivative instruments as hedges under GAAP. As a result, volatility in net income attributable to AmeriGas Partners as determined in accordance with GAAP can occur as gains and losses on commodity derivative instruments not associated with current-period transactions, principally comprising non-cash changes in unrealized gains and losses, are reflected in cost of sales.

AmeriGas Partners' management presents the non-GAAP measures "Adjusted EBITDA," "adjusted net income attributable to AmeriGas Partners," "adjusted total margin," and "adjusted operating income" (in addition to "net income attributable to AmeriGas Partners" determined in accordance with GAAP) in order to assist in the evaluation of the Partnership's overall performance. Management believes that these non-GAAP measures provide meaningful information to investors about AmeriGas Partners' performance because they eliminate the impact of (1) changes in unrealized gains and losses on commodity derivative instruments not associated with current-period transactions and (2) certain other gains and losses that competitors do not necessarily have, to provide additional insight into the comparison of year-over-year profitability to that of other master limited partnerships. For additional information on these non-GAAP measures as well as the non-GAAP measure, "EBITDA," including reconciliations of these non-GAAP measures to the most closely associated GAAP measures, see "Non-GAAP Financial Measures" below.

Proposed Merger

On April 1, 2019, we entered into the Merger Agreement, pursuant to which Merger Sub will merge with and into the Partnership, with the Partnership surviving as an indirect, wholly owned subsidiary of UGI. Under the terms of the Merger Agreement, at the effective time of the Proposed Merger, each outstanding Common Unit other than Common Units owned by UGI and its subsidiaries, including the General Partner, will be converted into the right to receive, at the election of each holder of such Common Units, one of the following forms of merger consideration:

- (i) 0.6378 shares of UGI common stock;
- (ii) \$7.63 in cash without interest, and 0.500 shares of UGI common stock; or
- (iii) \$35.325 in cash, without interest

The merger consideration is subject to proration designed to ensure that the total number of shares of UGI common stock issuable as merger consideration will equal approximately 34.6 million shares, and the amount of cash consideration paid will equal approximately \$530 million. Also, at the effective time of the Proposed Merger, the General Partner's 1% economic general partner interest in AmeriGas Partners, which includes its incentive distribution rights, will convert into (i) 10,615,711 Common Units, which will remain outstanding as partnership interests in AmeriGas Partners, and (ii) a non-economic general partner interest in AmeriGas Partners. Pursuant to the Merger Agreement, the General Partner will declare and cause to pay regular quarterly cash distributions on outstanding Common Units in accordance with the Partnership Agreement in an amount that will not be less than \$0.95 per Common Unit. In addition, the Merger Agreement requires that the record date for the quarterly cash distribution related to the quarter immediately prior to the quarter in which the closing of the Proposed Merger occurs be designated so that such record date precedes the closing of the Proposed Merger so as to permit the payment of such quarterly distribution to the holders of the Common Units; provided that the AmeriGas Partners' unitholders are not intended to receive, for any quarter, distributions both in respect of Common Units and also dividends in respect of shares of UGI common stock that they receive in exchange for such Common Units in the transaction.

Completion of the Proposed Merger is subject to certain customary conditions, including, among others: (i) approval of the Merger Agreement by holders of a majority of the outstanding Common Units; (ii) there being no law or injunction prohibiting consummation of the transactions contemplated under the Merger Agreement; (iii) the effectiveness of a registration statement on Form S-4 relating to the issuance of shares of UGI common stock pursuant to the Merger Agreement; (iv) approval for listing on the New York Stock Exchange of the shares of UGI common stock issuable pursuant to the Merger Agreement; (v) subject to specified materiality standards, the accuracy of certain representations and warranties of the other party; and (vi) compliance by the respective parties in all material respects with their respective covenants.

Pursuant to a Support Agreement, the General Partner has agreed to vote all Partnership Common Units that it or its affiliates beneficially own as of the record date of the Special Meeting in favor of the Merger Agreement and the Proposed Merger.

The Merger Agreement provides for certain termination rights for both UGI and the Partnership which, under certain circumstances, would require the Partnership to pay UGI a termination fee of \$20 million and/or reimburse UGI for expenses in an amount not to exceed \$5 million or require UGI to reimburse the Partnership for expenses not to exceed \$5 million.

Upon completion of the Proposed Merger, Common Units will no longer be publicly traded. Subject to the satisfaction or waiver of certain conditions, including the approval of the Merger Agreement by AmeriGas Partners' unitholders, the Proposed Merger is expected to close in the fourth quarter of Fiscal 2019. On May 6, 2019, UGI filed with the SEC its registration statement on Form S-4 relating to the Proposed Merger.

Executive Overview

Three Months Ended March 31, 2019

We recorded GAAP net income attributable to AmeriGas Partners for the 2019 three-month period of \$219.1 million compared to GAAP net income attributable to AmeriGas Partners for the 2018 three-month period of \$191.8 million. GAAP net income in the 2019 and 2018 three-month periods reflects the effects of net unrealized gains (losses) of \$17.1 million and \$(31.2) million, respectively, on commodity derivative instruments not associated with current-period transactions. GAAP net income in the 2019 three-month period also includes \$0.9 million of expenses associated with the Proposed Merger.

Adjusted net income attributable to AmeriGas Partners for the 2019 three-month period was \$203.1 million compared with adjusted net income attributable to AmeriGas Partners for the 2018 three-month period of \$222.7 million. The decrease in adjusted net income attributable to AmeriGas Partners principally reflects a \$20.2 million decrease in adjusted total margin on lower retail volumes sold and lower average retail propane unit margins. The decrease in adjusted total margin was partially offset by, among other things, slightly lower operating and administrative expenses. Average temperatures based upon heating degree days in our service territories were 4.4% colder than normal during the 2019 three-month period compared with average temperatures that were 0.5% warmer than normal during the 2018 three-month period. Although average temperatures during the 2019 three-month period across our entire service territory were colder than normal, we experienced significantly warmer than normal weather in the southeastern U.S. during January and February.

Six Months Ended March 31, 2019

We recorded GAAP net income attributable to AmeriGas Partners for the 2019 six-month period of \$263.6 million compared to GAAP net income attributable to AmeriGas Partners for the 2018 six-month period of \$296.2 million. GAAP net income in the 2019 and 2018 six-month periods reflect the effects of net unrealized losses of \$61.4 million and \$30.4 million, respectively, on commodity derivative instruments not associated with current-period transactions. GAAP net income in the 2019 six-month period also includes \$0.9 million of expenses associated with the Proposed Merger.

Adjusted net income attributable to AmeriGas Partners for the 2019 six-month period was \$325.3 million compared with adjusted net income attributable to AmeriGas Partners for the 2018 six-month period of \$326.4 million. The \$1.1 million decrease in adjusted net income attributable to AmeriGas Partners reflects slightly higher operating and administrative expenses partially offset by, among other things, slightly higher adjusted total margin. Average temperatures based upon heating degree days in our service territories were 4.6% colder than normal during the 2019 six-month period compared with average temperatures that were 0.9% warmer than normal during the prior-year period. Although average temperatures during the 2019 six-month period across our entire service territory were colder than normal, we experienced significantly warmer than normal weather in the southeastern U.S. during January and February.

Non-GAAP Financial Measures

The Partnership's management uses certain non-GAAP financial measures, including adjusted total margin, EBITDA, Adjusted EBITDA, adjusted operating income, and adjusted net income attributable to AmeriGas Partners, when evaluating the Partnership's overall performance. These 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 EBITDA as adjusted for the effects of gains and losses on commodity derivative instruments not associated with current-period transactions and other gains and losses that competitors do not necessarily have (Adjusted EBITDA), is a meaningful non-GAAP financial measure used by investors to (1) compare the Partnership's operating performance with that of other companies within the propane industry and (2) assess the Partnership's ability to meet loan covenants. The Partnership's definition of Adjusted EBITDA may be different from those used by other companies. Management uses Adjusted EBITDA to compare year-over-year profitability of the business without regard to capital structure as well as to compare the relative performance of the Partnership to that of other master limited partnerships without regard to their financing methods, capital structure, income taxes, the effects of gains and losses on commodity derivative instruments not associated with current-period transactions or historical cost basis. In view of the omission of interest, income taxes, depreciation and amortization, gains and losses on commodity derivative instruments not associated with current-period transactions and other gains and losses that competitors do not necessarily have from Adjusted EBITDA, management also assesses the profitability of the business by comparing net income attributable to AmeriGas Partners for the relevant periods. Management also uses Adjusted EBITDA to assess the Partnership's profitability because its parent, UGI, uses the Partnership's Adjusted EBITDA to assess the profitability of the Partnership which is one of UGI's reportable segments. UGI discloses the Partnership's Adjusted EBITDA in its disclosure about reportable segments as the profitability measure for its domestic propane segment.

Our other non-GAAP financial measures comprise adjusted total margin, adjusted operating income and adjusted net income attributable to AmeriGas Partners. Management believes the presentations of these non-GAAP financial measures provide useful information to investors to more effectively evaluate the period-over-period results of operations of the Partnership. Management uses these non-GAAP financial measures because they eliminate the impact of (1) gains and losses on commodity derivative instruments not associated with current-period transactions and (2) other gains and losses that competitors do not necessarily have to provide insight into the comparison of period-over-period profitability to that of other master limited partnerships.

The following table includes reconciliations of adjusted total margin, adjusted operating income, adjusted net income attributable to AmeriGas Partners, EBITDA and Adjusted EBITDA to the most directly comparable financial measures calculated and presented in accordance with GAAP for the periods presented:

(Dollars in millions)	Three Months Ended March 31,		Six Months Ended March 31,	
	2019	2018	2019	2018
Adjusted total margin:				
Total revenues	\$ 971.6	\$ 1,040.3	\$ 1,791.8	\$ 1,827.6
Cost of sales — propane	(399.9)	(495.6)	(835.3)	(840.0)
Cost of sales — other	(18.2)	(19.3)	(39.8)	(40.2)
Total margin	553.5	525.4	916.7	947.4
(Subtract net gains) add net losses on commodity derivative instruments not associated with current-period transactions	(17.1)	31.2	61.4	30.4
Adjusted total margin	\$ 536.4	\$ 556.6	\$ 978.1	\$ 977.8
Adjusted operating income:				
Operating income	\$ 264.7	\$ 235.8	\$ 352.7	\$ 384.6
(Subtract net gains) add net losses on commodity derivative instruments not associated with current-period transactions (a)	(17.2)	31.2	61.4	30.5
Merger expenses	0.9	—	0.9	—
Adjusted operating income	\$ 248.4	\$ 267.0	\$ 415.0	\$ 415.1
Adjusted net income attributable to AmeriGas Partners:				
Net income attributable to AmeriGas Partners	\$ 219.1	\$ 191.8	\$ 263.6	\$ 296.2
(Subtract net gains) add net losses on commodity derivative instruments not associated with current-period transactions (a)	(17.1)	31.2	61.4	30.4
Merger expenses	0.9	—	0.9	—
Noncontrolling interest in net gains and losses on commodity derivative instruments and merger expenses	0.2	(0.3)	(0.6)	(0.2)
Adjusted net income attributable to AmeriGas Partners	\$ 203.1	\$ 222.7	\$ 325.3	\$ 326.4
EBITDA and Adjusted EBITDA:				
Net income attributable to AmeriGas Partners	\$ 219.1	\$ 191.8	\$ 263.6	\$ 296.2
Income tax expense (a)	0.7	0.6	1.1	3.0
Interest expense	42.2	41.0	84.6	81.6
Depreciation and amortization	44.3	45.2	90.0	92.6
EBITDA	306.3	278.6	439.3	473.4
(Subtract net gains) add net losses on commodity derivative instruments not associated with current-period transactions (a)	(17.1)	31.2	61.3	30.4
Merger expenses	0.9	—	0.9	—
Noncontrolling interest in net gains and losses on commodity derivative instruments and merger expenses (a)	0.2	(0.3)	(0.6)	(0.2)
Adjusted EBITDA	\$ 290.3	\$ 309.5	\$ 500.9	\$ 503.6

(a) Certain amounts include the impact of rounding.

RESULTS OF OPERATIONS

2019 three-month period compared with the 2018 three-month period

Three Months Ended March 31,	2019	2018	Increase (Decrease)	
(Dollars and gallons in millions)				
Gallons sold:				
Retail	383.6	398.5	(14.9)	(3.7)%
Wholesale	28.3	20.0	8.3	41.5 %
	<u>411.9</u>	<u>418.5</u>	<u>(6.6)</u>	<u>(1.6)%</u>
Revenues:				
Retail propane	\$ 874.6	\$ 946.4	\$ (71.8)	(7.6)%
Wholesale propane	25.3	21.4	3.9	18.2 %
Other	71.7	72.5	(0.8)	(1.1)%
	<u>\$ 971.6</u>	<u>\$ 1,040.3</u>	<u>\$ (68.7)</u>	<u>(6.6)%</u>
Total margin (a)	\$ 553.5	\$ 525.4	\$ 28.1	5.3 %
Operating and administrative expenses (b)	\$ 249.9	\$ 251.4	\$ (1.5)	(0.6)%
Operating income	\$ 264.7	\$ 235.8	\$ 28.9	12.3 %
Net income attributable to AmeriGas Partners	\$ 219.1	\$ 191.8	\$ 27.3	14.2 %
Non-GAAP financial measures (c):				
Adjusted total margin	\$ 536.4	\$ 556.6	\$ (20.2)	(3.6)%
EBITDA	\$ 306.3	\$ 278.6	\$ 27.7	9.9 %
Adjusted EBITDA	\$ 290.3	\$ 309.5	\$ (19.2)	(6.2)%
Adjusted operating income	\$ 248.4	\$ 267.0	\$ (18.6)	(7.0)%
Adjusted net income attributable to AmeriGas Partners	\$ 203.1	\$ 222.7	\$ (19.6)	(8.8)%
Heating degree days — % colder (warmer) than normal (d)	4.4%	(0.5)%	—	—

(a) Total margin represents total revenues less “Cost of sales — propane” and “Cost of sales — other.” Total margin for the 2019 and 2018 three-month periods includes the impact of changes in unrealized gains (losses) of \$17.1 million and \$(31.2) million, respectively, on commodity derivative instruments not associated with current-period transactions.

(b) Operating and administrative expenses in the 2019 three-month period include \$0.9 million of expenses associated with the Proposed Merger.

(c) These financial measures are non-GAAP financial measures and are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not a substitute for, the comparable GAAP measures. See section “Non-GAAP Financial Measures” above.

(d) Deviation from average heating degree days for the 15-year period 2002-2016 based upon national weather statistics provided by NOAA for 344 Geo Regions in the United States, excluding Alaska and Hawaii.

The Partnership’s retail gallons sold during the 2019 three-month period were 3.7% lower than the prior-year period. Average temperatures based upon heating degree days were 4.4% colder than normal and 4.9% colder than the prior-year period. Although average temperatures during the 2019 three-month period across our entire service territory were colder than normal, we experienced significantly warmer than normal weather in the southeastern U.S. during January and February.

Retail propane revenues decreased \$71.8 million during the 2019 three-month period reflecting the effects of lower average retail selling prices (\$36.4 million) and the lower retail volumes sold (\$35.4 million). Wholesale propane revenues increased \$3.9 million reflecting higher wholesale volumes sold (\$8.9 million) partially offset by lower average wholesale selling prices (\$5.0 million). Average daily wholesale propane commodity prices during the 2019 three-month period at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately 21% lower than such prices during the 2018 three-month period. Other revenues in the 2019 three-month period were approximately equal to the prior-year period.

Total cost of sales during the 2019 three-month period decreased \$96.8 million from the prior-year period. Cost of sales in the 2019 and 2018 three-month periods include net gains (losses) of \$17.1 million and \$(31.2) million on commodity derivative instruments not associated with current-period transactions, respectively. Excluding the effects on cost of sales of these net gains and (losses) on derivative commodity instruments, total cost of sales decreased \$48.5 million principally reflecting the effects of

lower average propane product costs (\$39.4 million) and the lower retail propane volumes sold (\$16.6 million) partially offset by higher wholesale propane volumes sold (\$8.5 million).

Total margin (which includes net gains (losses) of \$17.1 million and \$(31.2) million on commodity derivative instruments not associated with current-period transactions in the 2019 and 2018 three-month periods, respectively) increased \$28.1 million during the 2019 three-month period. Adjusted total margin decreased \$20.2 million principally reflecting lower retail propane total margin (\$20.3 million). The decrease in retail propane total margin principally reflects the effects of the lower retail volumes sold (\$18.8 million).

EBITDA and operating income (both of which include the effects of the previously mentioned unrealized gains and losses on commodity derivative instruments) increased \$27.7 million and \$28.9 million, respectively. Adjusted EBITDA decreased \$19.2 million in the 2019 three-month period principally reflecting the effects of the lower adjusted total margin (\$20.2 million) and slightly lower other operating income (\$1.7 million), partially offset by a decrease in operating and administrative expenses excluding the impact of \$0.9 million of expenses associated with the Proposed Merger in the 2019 three-month period (\$2.4 million). The decrease in operating and administrative expenses reflects, among other things, lower general insurance and self-insured casualty and liability expense and slightly lower total compensation and benefits cost partially offset by slightly higher vehicle expenses. Adjusted operating income decreased \$18.6 million in the 2019 three-month period principally reflecting the \$19.2 million decrease in Adjusted EBITDA.

The \$19.6 million decrease in adjusted net income attributable to AmeriGas Partners principally reflects the \$18.6 million decrease in adjusted operating income and a slight increase in interest expense (\$1.2 million) on higher short-term borrowings.

2019 six-month period compared with the 2018 six-month period

Six Months Ended March 31,	2019	2018	Increase (Decrease)	
(Dollars and gallons in millions)				
Gallons sold:				
Retail	693.9	703.5	(9.6)	(1.4)%
Wholesale	50.2	37.0	13.2	35.7 %
	<u>744.1</u>	<u>740.5</u>	<u>3.6</u>	<u>0.5 %</u>
Revenues:				
Retail propane	\$ 1,596.5	\$ 1,639.2	\$ (42.7)	(2.6)%
Wholesale propane	46.3	40.1	6.2	15.5 %
Other	149.0	148.3	0.7	0.5 %
	<u>\$ 1,791.8</u>	<u>\$ 1,827.6</u>	<u>\$ (35.8)</u>	<u>(2.0)%</u>
Total margin (a)	\$ 916.7	\$ 947.4	\$ (30.7)	(3.2)%
Operating and administrative expenses (b)	\$ 485.1	\$ 481.8	\$ 3.3	0.7 %
Operating income	\$ 352.7	\$ 384.6	\$ (31.9)	(8.3)%
Net income attributable to AmeriGas Partners	\$ 263.6	\$ 296.2	\$ (32.6)	(11.0)%
Non-GAAP financial measures (c):				
Adjusted total margin	\$ 978.1	\$ 977.8	\$ 0.3	— %
EBITDA	\$ 439.3	\$ 473.4	\$ (34.1)	(7.2)%
Adjusted EBITDA	\$ 500.9	\$ 503.6	\$ (2.7)	(0.5)%
Adjusted operating income	\$ 415.0	\$ 415.1	\$ (0.1)	— %
Adjusted net income attributable to AmeriGas Partners	\$ 325.3	\$ 326.4	\$ (1.1)	(0.3)%
Heating degree days — % colder (warmer) than normal (d)	4.6%	(0.9)%	—	—

(a) Total margin represents total revenues less “Cost of sales — propane” and “Cost of sales — other.” Total margin for the 2019 and 2018 six-month periods include the impact of net unrealized losses of \$61.4 million and \$30.4 million, respectively, on commodity derivative instruments not associated with current-period transactions.

(b) Operating and administrative expenses in the 2019 six-month period include \$0.9 million of expenses associated with the Proposed Merger.

- (c) These financial measures are non-GAAP financial measures and are not in accordance with, or an alternative to, GAAP and should be considered in addition to, and not a substitute for, the comparable GAAP measures. See section “Non-GAAP Financial Measures” above.
- (d) Deviation from average heating degree days for the 15-year period 2002-2016 based upon national weather statistics provided by NOAA for 344 Geo Regions in the United States, excluding Alaska and Hawaii.

The Partnership’s retail gallons sold during the 2019 six-month period were 1.4% lower than the prior-year period. Average temperatures based upon heating degree days were 4.6% colder than normal and 5.5% colder than the prior-year period. Although average temperatures during the 2019 six-month period across our entire service territory were colder than normal, we experienced significantly warmer than normal weather in the southeastern U.S. during January and February.

Retail propane revenues decreased \$42.7 million during the 2019 six-month period reflecting the effects of the lower retail volumes sold (\$22.4 million) and lower average retail selling prices (\$20.3 million). Wholesale propane revenues increased \$6.2 million reflecting higher wholesale volumes sold (\$14.3 million) partially offset by lower average wholesale selling prices (\$8.1 million). Average daily wholesale propane commodity prices during the 2019 six-month period at Mont Belvieu, Texas, one of the major supply points in the U.S., were approximately 19% lower than such prices during the 2018 six-month period. Other revenues in the 2019 six-month period were slightly higher than in the prior-year period principally reflecting higher service and ancillary revenues.

Total cost of sales during the 2019 six-month period decreased \$5.2 million from the prior-year period. Cost of sales in the 2019 and 2018 six-month periods include \$61.4 million and \$30.4 million of net losses on commodity derivative instruments not associated with current-period transactions, respectively. Excluding the effects on cost of sales of these net losses on derivative commodity instruments, total cost of sales decreased \$36.1 million reflecting the effects of lower average propane product costs (\$38.9 million) and the lower retail propane volumes sold (\$10.5 million) partially offset by higher wholesale propane volumes sold (\$13.8 million).

Total margin (which includes \$61.4 million and \$30.4 million of net losses on commodity derivative instruments not associated with current-period transactions in the 2019 and 2018 six-month periods, respectively) decreased \$30.7 million during the 2019 six-month period. Adjusted total margin in the 2019 six-month period was approximately equal to adjusted total margin in the 2018 six-month period as the effect of lower retail volumes sold (\$11.9 million) was offset by slightly higher average retail propane unit margins (\$11.0 million) due, in part, to the effects of declining wholesale propane prices during the 2019 six-month period.

EBITDA and operating income (both of which include the effects of the previously mentioned unrealized losses on commodity derivative instruments) decreased \$34.1 million and \$31.9 million, respectively. Adjusted EBITDA decreased \$2.7 million in the 2019 six-month period principally reflecting higher operating and administrative expenses, excluding the impact of \$0.9 million of expenses associated with the Proposed Merger in the 2019 six-month period (\$2.4 million). The increase in operating and administrative expenses includes higher total compensation and benefits costs and higher vehicle expense, including higher lease expense, partially offset by lower general insurance and self-insured casualty and liability expense. Adjusted operating income was comparable to the prior-year period as the \$2.7 million decrease in Adjusted EBITDA was offset by lower depreciation and amortization expense (\$2.6 million).

The decrease in adjusted net income attributable to AmeriGas Partners, notwithstanding adjusted operating income that was comparable to the prior-year period, reflects an increase in interest expense (\$3.0 million) on higher short-term borrowings partially offset by lower income tax expense (\$1.9 million). Income tax expense in the 2018 six-month period included remeasurement adjustments to the deferred income taxes of our corporate subsidiary resulting from the TCJA signed into law on December 22, 2017.

FINANCIAL CONDITION AND LIQUIDITY

The Partnership’s cash and cash equivalents at March 31, 2019, were \$1.5 million compared to cash and cash equivalents at September 30, 2018, of \$6.9 million. The Partnership’s debt outstanding at March 31, 2019, totaled \$2,805.5 million (including current maturities of long-term debt of \$8.3 million and short-term borrowings of \$236.0 million under the Credit Agreement). The Partnership’s debt outstanding at September 30, 2018, totaled \$2,801.6 million (including current maturities of long-term debt of \$8.6 million and short-term borrowings of \$232.0 million under the Credit Agreement). Total long-term debt outstanding at March 31, 2019, including current maturities, comprises \$2,575.0 million of AmeriGas Partners’ Senior Notes, \$7.4 million of Heritage Operating, L.P. Senior Notes and \$12.6 million of other long-term debt, and is net of \$25.5 million of unamortized debt issuance costs.

At March 31, 2019, there were \$236.0 million borrowings outstanding under the Credit Agreement. Issued and outstanding letters of credit under the Credit Agreement, which reduce the amounts available for borrowings, totaled \$63.4 million at March 31, 2019. At March 31, 2019, the Partnership's available borrowing capacity under the Credit Agreement was \$300.6 million. The average daily and peak short-term borrowings outstanding under the Credit Agreement during the 2019 six-month period were \$303.2 million and \$422.0 million, respectively. The average daily and peak short-term borrowings outstanding under the Credit Agreement during the 2018 six-month period were \$206.3 million and \$349.0 million, respectively.

AmeriGas Partners also has a Standby Equity Commitment Agreement with the General Partner and UGI under which UGI has committed to make up to \$225 million of capital contributions to the Partnership through July 1, 2019. UGI's capital contributions may be made from time to time through July 1, 2019, upon request of the Partnership. In consideration for any capital contributions pursuant to the Commitment Agreement, the Partnership will issue to UGI or a wholly owned subsidiary new Class B Common Units representing limited partner interests in the Partnership. There have been no capital contributions made to the Partnership under the Commitment Agreement, and the last date on which AmeriGas may request a capital contribution, without the consent of UGI, is May 17, 2019.

The Partnership's management believes that the Partnership has sufficient liquidity in the forms of cash and cash equivalents on hand, cash expected to be generated from operations, and short-term borrowings available under the Credit Agreement to meet its anticipated contractual and projected cash commitments.

Partnership Distributions

On April 29, 2019, the General Partner's Board of Directors approved a quarterly distribution of \$0.95 per Common Unit, equal to an annual rate of \$3.80. The distribution is payable on May 17, 2019, to unitholders of record on May 10, 2019. During the six months ended March 31, 2019, the General Partner's Board of Directors declared and the Partnership paid a quarterly distribution on all limited partner units at a rate of \$0.95 per Common Unit for the quarters ended December 31, 2018, and September 30, 2018, respectively.

The ability of the Partnership to declare and pay the quarterly distribution on its Common Units in the future depends upon a number of factors. These factors include (1) the level of Partnership earnings; (2) the cash needs of the Partnership's operations (including cash needed for maintaining and increasing operating capacity); (3) changes in operating working capital; and (4) the Partnership's ability to borrow under its Credit Agreement, refinance maturing debt, and increase its long-term debt. Some of these factors are affected by conditions beyond the Partnership's control including weather, competition in markets we serve, the cost of propane and changes in capital market conditions.

Cash Flows

Operating activities. Due to the seasonal nature of the Partnership's business, cash flows from operating activities are generally greatest during the second and third fiscal quarters when customers pay for propane consumed during the heating-season months. Conversely, operating cash flows are generally at their lowest levels during the first and fourth fiscal quarters when the Partnership's investment in working capital, principally accounts receivable and inventories, is generally greatest. The Partnership may use its Credit Agreement to satisfy its seasonal operating cash flow needs.

Cash flow provided by operating activities was \$247.4 million in the 2019 six-month period compared to \$230.4 million in the 2018 six-month period. Cash flow from operating activities before changes in operating working capital was \$427.2 million in the 2019 six-month period, comparable to the \$434.7 million of cash flow recorded in the prior-year six-month period. Cash used to fund changes in operating working capital was \$179.8 million in the 2019 six-month period compared to \$204.2 million in the 2018 six-month period. The slightly lower cash used to fund changes in working capital reflects, among other things, higher cash from changes in inventory reflecting in large part the impact of a larger decline in propane commodity costs during the current-year six-month period.

Investing activities. Investing activity cash flow principally comprises expenditures for property, plant and equipment, cash paid for acquisitions of businesses and proceeds from disposals of assets. Cash flow used in investing activities was \$50.3 million in the 2019 six-month period compared with \$39.7 million in the prior-year period. The Partnership spent \$56.8 million for property, plant and equipment (comprising \$29.8 million of maintenance capital expenditures and \$27.0 million of growth capital expenditures) in the 2019 six-month period compared with \$47.2 million (comprising \$21.6 million of maintenance capital expenditures and \$25.6 million of growth capital expenditures) in the 2018 six-month period. Capital expenditures in the 2019 six-month period include capital expenditures associated with an Enterprise Resource Planning system.

Financing activities. Financing activity cash flow principally comprises distributions on AmeriGas Partners Common Units, issuances and repayments of long-term debt, short-term borrowings, and issuances of AmeriGas Partners Common Units. Cash used by financing activities was \$202.5 million in the 2019 six-month period compared with \$193.3 million in the prior-year six-month period. Distributions in each of the 2019 and 2018 six-month periods totaled \$201.4 million and \$201.3 million, respectively. Cash provided by Credit Agreement borrowings in the 2019 six-month period and the 2018 six-month period totaled \$4.0 million and \$14.5 million, respectively.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our primary financial market risks include commodity prices for propane and interest rates on borrowings. 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 pays for propane is principally a result of market forces reflecting changes in supply and demand for propane and other energy commodities. The Partnership's profitability is sensitive to changes in propane supply costs and the Partnership generally passes on increases in such costs to customers. The Partnership may not, however, always be able to pass through product cost increases fully, or keep pace with such increases, particularly when product costs rise rapidly. In order to reduce the volatility of the Partnership's propane market price risk, we use contracts for the forward purchase or sale of propane, propane fixed-price supply agreements, and over-the-counter derivative commodity instruments including price swap contracts. Over-the-counter derivative commodity instruments utilized by the Partnership to hedge forecasted purchases of propane are generally settled at expiration of the contract. These derivative financial instruments contain collateral provisions. The fair value of unsettled commodity price risk sensitive instruments at March 31, 2019, was a net loss of \$9.1 million. A hypothetical 10% adverse change in the market price of propane would result in a decrease in such fair value of approximately \$11.5 million.

Derivative Instruments Credit Risk

The Partnership is exposed to credit loss in the event of nonperformance by counterparties to derivative financial and commodity instruments. Our counterparties principally comprise major energy companies and major U.S. 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 these agreements call for the posting of collateral by the counterparty or by the Partnership in the forms of letters of credit, parental guarantees or cash. Although we have concentrations of credit risk associated with derivative instruments held by certain derivative instrument counterparties, the maximum amount of loss due to credit risk that, based upon the gross fair values of the derivative instruments, we would incur if these counterparties that make up the concentration failed to perform according to the terms of their contracts was not material at March 31, 2019. Certain of our derivative contracts have credit-risk-related contingent features that may require the posting of additional collateral in the event of a downgrade in the Partnership's debt rating. At March 31, 2019, if the credit-risk-related contingent features were triggered, the amount of collateral required to be posted would not be material.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

The General Partner's disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by the Partnership 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 Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure. The General Partner's management, with the participation of the General Partner's Chief Executive Officer and Principal Financial Officer, evaluated the effectiveness of the Partnership'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 Principal Financial Officer concluded that the Partnership's disclosure controls and procedures, as of the end of the period covered by this Report, were effective at the reasonable assurance level.

(b) Change in Internal Control over Financial Reporting

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

PART II OTHER INFORMATION

ITEM 1A. RISK FACTORS

Set forth below are updated risk factors associated with the Proposed Merger of Merger Sub with and into the Partnership. In addition to the information presented in this report, you should carefully consider the factors discussed in Part I, “Item 1A. Risk Factors” in our 2018 Annual Report, which could materially affect our business, financial condition or future results. The risks described below or in our 2018 Annual Report are not the only risks facing the Partnership. Other unknown or unpredictable factors could also have material adverse effects on future results.

Because the Share Election Exchange Ratio and the Mixed Election Exchange Ratio will not be adjusted for UGI common stock price fluctuations, Partnership unitholders receiving UGI common stock cannot be sure of the value of the merger consideration they will receive.

The market value of the merger consideration that Partnership unitholders will receive in the Proposed Merger if they make the Share Election or Mixed Election and are due to receive shares of UGI common stock after the proration will depend on the trading price of UGI common stock at completion of the Proposed Merger. Each of the Share Election Exchange Ratio and Mixed Election Exchange Ratio that determines the number of shares of UGI common stock that Partnership unitholders may receive, if applicable and as adjusted by any proration, as consideration in the Proposed Merger is fixed. This means that there is no mechanism contained in the Merger Agreement that would adjust the number of shares of UGI common stock that Partnership unitholders will receive as the merger consideration based on any decreases or increases in the trading price of the UGI common stock. UGI common stock price changes may result from a variety of factors (many of which are beyond UGI’s or the Partnership’s control), including:

- changes in UGI’s and the Partnership’s business, operations and prospects;
- changes in market assessments of UGI’s and the Partnership’s business, operations and prospects;
- interest rates, general market, industry and economic conditions and other factors generally affecting the price of UGI common stock; and
- federal, state and local legislation, governmental regulation and legal developments in the businesses in which UGI and the Partnership operate.

If the price of UGI common stock at completion of the Proposed Merger is less than the price of UGI common stock on the date on which the Merger Agreement was signed, then the market value of the shares of UGI common stock received as merger consideration, if applicable, by Partnership unitholders will be less than contemplated at the time the Merger Agreement was signed. Neither UGI nor the Partnership is permitted to terminate the Merger Agreement solely because of changes in the market price of shares of UGI common stock or Common Units.

The fairness opinion rendered to the GP Audit Committee by TPH was necessarily based on economic, monetary, market and other conditions as in effect on, and financial forecasts and other information made available to TPH as of the date of its opinion. As a result, the opinion does not reflect changes in events or circumstances after the date of such opinion. The GP Audit Committee has not obtained, and does not expect to obtain, an updated fairness opinion reflecting changes in circumstances that may have occurred since the signing of the Merger Agreement.

The fairness opinion rendered to the GP Audit Committee by TPH was provided for the information and assistance of the GP Audit Committee in connection with, and at the time of, its consideration of the Proposed Merger and the Merger Agreement. The opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and financial forecasts and other information made available to TPH as of, the date of its opinion, which may have changed, or may change, after the date such information was prepared or after the date of such opinion. The GP Audit Committee has not obtained an updated opinion from TPH following the date of the Merger Agreement and does not expect to obtain an updated opinion prior to completion of the Proposed Merger. Changes in the operations and prospects of UGI or the Partnership, economic, monetary, market and other conditions and other factors that may be beyond the control of UGI and the Partnership, and on which the fairness opinion was based, may have altered the value of UGI or the Partnership or the prices of UGI common stock or Common Units since the date of such opinion, or may alter such values and prices by the time the Proposed Merger is completed. TPH’s opinion does not speak as of any date other than the date of the opinion. For a description of the opinion that TPH rendered to the GP Audit Committee, see the Form S-4 filed by UGI with the SEC on May 6, 2019.

UGI and the Partnership may be targets of securities class action and derivative lawsuits, which could result in substantial costs and may delay or prevent the completion of the Proposed Merger.

Securities class action lawsuits and derivative lawsuits are often brought against companies that have entered into merger agreements in an effort to enjoin the merger or seek monetary relief from the counterparties. Even if the lawsuits are without merit, defending against these claims can result in substantial costs and divert management time and resources. We cannot predict the occurrence or outcome of any such lawsuits, or others, nor can we predict the amount of time and expense that will be required to resolve such litigation. An unfavorable resolution of any such litigation surrounding the Proposed Merger could delay or prevent its completion. In addition, the costs of defending the litigation, even if resolved in our favor, could be substantial and such litigation could distract our management from pursuing the completion of the Proposed Merger and other potentially beneficial business opportunities.

Partnership unitholders may not receive the form of consideration that they elect in connection with the Proposed Merger.

The merger consideration in the Proposed Merger is subject to a proration designed to ensure that the number of shares of UGI common stock issuable as merger consideration will equal approximately 34,621,206 shares of UGI common stock. Accordingly, there is no assurance that Partnership unitholders will receive the form of merger consideration that they elect with respect to all Common Units they hold. There is a risk that Partnership unitholders will receive a portion of the merger consideration in the form that they do not elect. For more information on the proration procedures, see the Form S-4 filed by UGI with the SEC on May 6, 2019.

The market price of UGI common stock is affected by factors different from those affecting the market price of the Common Units. The price of UGI common stock could decline following the Proposed Merger.

If the Proposed Merger is consummated, Partnership unitholders who make the Share Election or Mixed Election will become UGI shareholders, subject to any applicable proration. The businesses operated by UGI have different risks associated with them than those associated with the Partnership. Accordingly, the performance of UGI common stock is likely to be different from the performance of the Common Units in the absence of the Proposed Merger. Shares of UGI common stock are subject to investment risks and may decline in value due to UGI's business performance or extrinsic factors affecting the industry or financial markets generally.

Directors and executive officers of the General Partner have certain interests that are different from those of Partnership unitholders generally.

Some of the directors and executive officers of the General Partner are parties to agreements or participants in other arrangements that give them interests in the Proposed Merger that may be different from, or in addition to, the interests of Partnership unitholders. In addition, certain of the directors and executive officers of the General Partner are also directors or executive officers at UGI, and each of the directors of the GP Board is appointed by AmeriGas, Inc., a wholly-owned subsidiary of UGI. These and other different interests are described in the Form S-4 filed by UGI with the SEC on May 6, 2019.

The Partnership Agreement limits the duties of the General Partner to Partnership unitholders and restricts the remedies available to Partnership unitholders for actions taken by the General Partner that might otherwise constitute breaches of its duties.

The General Partner is a wholly owned subsidiary of UGI. In light of potential conflicts of interest between UGI and the General Partner, on the one hand, and the Partnership and the Partnership unitholders, on the other hand, the GP Board submitted the Proposed Merger and related matters to the GP Audit Committee for, among other things, review, evaluation, negotiation and possible approval of a majority of its members, which is referred to as "Special Approval" in the Partnership Agreement and this Form 10-Q. In addition, the Proposed Merger is conditioned upon the approval of holders of at least a majority of the outstanding Common Units. Under the Partnership Agreement:

- any resolution or course of action by the General Partner or its affiliates in respect of a conflict of interest is permitted and deemed approved by all limited partners of the Partnership (i.e., the Partnership unitholders), and will not constitute a breach of the Partnership Agreement or of any duty stated or implied by law or equity, if the resolution or course of action is approved by Special Approval; and
- the General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisors selected by it, and any act taken or omitted to be taken in reliance upon the opinion of such persons as to matters that the General Partner reasonably believes to be within such person's

professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

The GP Audit Committee reviewed, negotiated and evaluated the Merger Agreement, the Proposed Merger and related matters on behalf of the Partnership's unitholders who are unaffiliated with UGI or the General Partner (the "Unaffiliated Partnership Unitholders") and the Partnership. Among other things, the GP Audit Committee unanimously determined in good faith that the Merger Agreement and the transactions contemplated thereby, including the Proposed Merger, are fair and reasonable to, and in the best interests of, the Partnership and the Unaffiliated Partnership Unitholders, approved the Merger Agreement and the transactions contemplated thereby, including the Proposed Merger, and recommended the approval of the Merger Agreement and the transactions contemplated thereby, including the Proposed Merger, to the GP Board.

The duties of the General Partner, the GP Board and the GP Audit Committee to Partnership unitholders in connection with the Proposed Merger are substantially limited by the Partnership Agreement.

Current Partnership unitholders will have a reduced ownership after the Proposed Merger and will not exercise significant influence over management.

UGI will issue approximately 34,621,206 UGI common shares to Partnership unitholders in the Proposed Merger. As a result of these issuances, current UGI shareholders and Partnership unitholders are expected to hold approximately 83.4% and 16.6%, respectively, of UGI's outstanding common stock immediately following completion of the Proposed Merger.

When the Proposed Merger occurs, the UGI common shares that each Partnership unitholder receives in exchange for Partnership Common Units, if applicable, will represent a percentage ownership of the combined company that is significantly smaller than Partnership unitholders' collective percentage ownership of the Partnership. As a result of owning approximately 16.6% of UGI, former Partnership unitholders will not have significant influence on the management and policies of UGI.

Shares of UGI common stock to be received by Partnership unitholders as a result of the Proposed Merger, if applicable, have different rights than Common Units.

Following completion of the Proposed Merger, Partnership unitholders will no longer hold Common Units. Partnership unitholders who make the Share Election or Mixed Election will become UGI shareholders, subject to any applicable proration. There are important differences between the rights of Partnership unitholders and the rights of UGI shareholders. See the Form S-4 filed by UGI with the SEC on May 6, 2019 for more information.

The number of outstanding shares of UGI common stock will increase as a result of the Proposed Merger, which could make it more difficult for UGI to pay the current level of quarterly dividends.

UGI expects to issue approximately 34.6 million shares in connection with the Proposed Merger. Accordingly, the aggregate dollar amount required to pay the current per share quarterly dividend on all shares of UGI common stock will increase, which could increase the likelihood that we will not have sufficient funds to pay the current level of quarterly distributions to all UGI shareholders.

The completion of the Proposed Merger is subject to various conditions, including certain conditions that may not be satisfied on a timely basis, if at all. Failure to complete the Proposed Merger, or significant delays in completing it, could negatively affect the trading prices of UGI common stock and the Common Units and the future business and financial results of UGI and the Partnership.

The completion of the Proposed Merger is subject to a number of conditions, some of which are beyond the parties' control. In addition, UGI and the Partnership can agree not to consummate the Proposed Merger even if the Partnership unitholders approve the Proposed Merger and the conditions to completion of the Proposed Merger are otherwise satisfied.

The completion of the Proposed Merger is not assured and is subject to risks, including the risk that the closing conditions are not satisfied, including that the Partnership unitholders fail to approve the Proposed Merger or the occurrence of a material adverse change to the business or results of operations of UGI or the Partnership. The failure to satisfy conditions to the Proposed Merger may prevent or delay the Proposed Merger or otherwise result in it not occurring. The failure of the completion of the Proposed Merger, or any significant delays in completing the Proposed Merger, could cause us not to realize, or delay the realization of, some or all of the benefits that we expect to achieve from the Proposed Merger, including those relating to the trading prices of shares of UGI common stock and the respective future business and financial results of UGI and the Partnership, which could be negatively affected, and each of which are subject to risks, including the following:

- the parties may be liable for damages to one another under the terms and conditions of the Merger Agreement;
- negative reactions from the financial markets, including declines in the price of shares of UGI common stock or the Common Units due to the fact that current prices may reflect a market assumption that the Proposed Merger will be completed;
- having to pay certain significant costs relating to the Proposed Merger, including, in certain circumstances, the reimbursement by the Partnership of up to \$5.0 million of UGI's expenses and a termination fee of \$20.0 million (see the Form S-4 filed by UGI with the SEC on May 6, 2019 for more information); and
- the attention of our management will have been diverted to the Proposed Merger rather than other strategic opportunities that could have been beneficial to the Company.

The Partnership is subject to provisions in the Merger Agreement that limit its ability to pursue alternatives to the Proposed Merger, which could discourage a potential competing acquirer of the Partnership from making a favorable alternative transaction proposal and, in specified circumstances under the Merger Agreement, would require the Partnership to reimburse up to \$5.0 million of UGI's out-of-pocket expenses and/or pay a termination fee to UGI of \$20.0 million.

Under the Merger Agreement, the Partnership is restricted from entering into alternative transactions. Unless and until the Merger Agreement is terminated, subject to specified exceptions, the Partnership is restricted from soliciting, initiating, knowingly facilitating, knowingly encouraging or knowingly inducing or taking any other action intended to lead to any inquiries or any proposals that constitute or could reasonably be expected to lead to a proposal or offer for a competing acquisition proposal with any person. In addition, the Partnership may not grant any waiver or release of any standstill or similar agreement with respect to any Partnership Common Units or of any of its subsidiaries. Under the Merger Agreement, in the event of a potential change by the GP Board of its recommendation with respect to the Proposed Merger in light of a superior proposal, the Partnership must provide UGI with five days' notice to allow UGI to propose adjustments to the terms and conditions of the Merger Agreement. These provisions could discourage a third party that may have an interest in acquiring all or a significant part of the Partnership from considering or proposing an acquisition, even if such third party were prepared to pay consideration with a higher per unit market value than the merger consideration, or might result in a potential competing acquirer of the Partnership proposing to pay a lower price than it would otherwise have proposed to pay because of the added expense of the termination fee that may become payable in specified circumstances.

If the Merger Agreement is terminated under specified circumstances, including due to a Partnership adverse recommendation change having occurred or the Partnership's unitholder approval not being obtained at the Special Meeting when a Partnership adverse recommendation change has occurred, the Partnership will be required to pay UGI a termination fee of \$20.0 million. If the Merger Agreement is terminated under specified circumstances, including if the Partnership's unitholder approval is not obtained (other than if UGI failed to vote, and cause the General Partner and its affiliates to vote, the Partnership common units or they own beneficially or of record in favor of the Merger Agreement) or if the Partnership breaches certain of its obligations under the Merger Agreement, then the Partnership will be required to pay all of the reasonably documented out-of-pocket expenses incurred by UGI and its affiliates in connection with the Merger Agreement and the transactions contemplated thereby, including the Proposed Merger, up to a maximum amount of \$5.0 million. Following payment of the termination fee or the reimbursement of expenses, as applicable, the Partnership will not be obligated to pay any additional expenses incurred by UGI or its affiliates. If the termination fee or the reimbursement of expenses is payable, the payment of such fee or expenses could have material and adverse consequences to the financial condition and operations of the Partnership. For a discussion of the restrictions on soliciting or entering into an alternative transaction and the ability of the GP Board to change its recommendation, see the Form S-4 filed by UGI with the SEC on May 6, 2019.

If a governmental authority asserts objections to the Proposed Merger, UGI and the Partnership may be unable to complete the Proposed Merger or, in order to do so, UGI and the Partnership may be required to comply with material restrictions or satisfy material conditions.

The closing of the Proposed Merger is subject to the condition that there is no law, injunction, judgment or ruling by a governmental authority in effect enjoining, restraining, preventing or prohibiting the Proposed Merger contemplated by the Merger Agreement. If a U.S. or foreign governmental authority asserts objections to the Proposed Merger, UGI or the Partnership may be required to take certain actions or accept other remedies in order to complete the Proposed Merger. There can be no assurance as to the cost, scope or impact of the actions that may be required to address any governmental authority objections to the Proposed Merger. If UGI or the Partnership takes such actions, it could be detrimental to it or to the combined company following the completion of the Proposed Merger. Furthermore, these actions could have the effect of delaying or preventing completion of the

Proposed Merger or imposing additional costs on or limiting the revenues or cash available for distribution of the combined company following the completion of the Proposed Merger. See the Form S-4 filed by UGI with the SEC on May 6, 2019.

Additionally, state attorneys general or other state or local regulators could seek to block, rescind or challenge the Proposed Merger as they deem necessary or desirable in the public interest at any time, including after completion of the Proposed Merger. In addition, in some circumstances, a third party could initiate a private action under antitrust laws challenging or seeking to enjoin or rescind the Proposed Merger, before or after it is completed. UGI may not prevail and may incur significant costs in defending or settling any action under the antitrust laws.

UGI and the Partnership are subject to contractual interim operating restrictions while the Proposed Merger is pending, which could adversely affect each party's business and operations.

Under the terms of the Merger Agreement, each of UGI and the Partnership is subject to certain restrictions on the conduct of its business prior to completing the Proposed Merger, which may adversely affect its ability to execute certain of its business strategies. Such limitations could negatively affect each party's business and operations prior to the completion of the Proposed Merger (see the Form S-4 filed by UGI with the SEC on May 6, 2019 for more information).

UGI and the Partnership will incur substantial transaction-related costs in connection with the Proposed Merger, including fees paid to legal, financial and accounting advisors, filing fees and printing costs.

UGI and the Partnership expect to incur a number of non-recurring transaction-related costs associated with completing the Proposed Merger. These fees and costs will be substantial. Non-recurring transaction costs include, but are not limited to, fees paid to legal, financial and accounting advisors, filing fees and printing costs. Thus, any net benefit of the Proposed Merger may not be achieved in the near term, the long term or at all.

If the Proposed Merger is approved by Partnership unitholders, the date on which Partnership unitholders will receive the merger consideration is uncertain.

Completing the Proposed Merger is subject to several conditions, not all of which are controllable or waivable by UGI or the Partnership. Accordingly, if the Proposed Merger is approved by Partnership unitholders, the date on which Partnership unitholders will receive the merger consideration depends on the completion date of the Proposed Merger, which is uncertain. See the Form S-4 filed by UGI with the SEC on May 6, 2019 for more information.

The Proposed Merger will be a taxable transaction, and the resulting tax liability of a Partnership unitholder will depend on the unitholder's particular situation. The tax liability of a Partnership unitholder resulting from the Proposed Merger could be more than expected and could be more than the cash received pursuant to the Proposed Merger.

Regardless of whether a U.S. Holder (as defined below) receives merger consideration consisting of cash, shares of UGI common stock or a combination thereof, the Proposed Merger will be a taxable transaction for U.S. federal income tax purposes. In general, the Proposed Merger will be treated as a taxable sale of a U.S. Holder's Common Units in exchange for the merger consideration, and each U.S. Holder will recognize gain or loss equal to the difference between the U.S. Holder's amount realized and his/her adjusted tax basis in his/her Common Units. The amount of gain or loss recognized by the U.S. Holder pursuant to the Proposed Merger will vary depending on his/her particular situation, including the value of the shares of UGI common stock he/she receives in the Proposed Merger, if any, the adjusted tax basis of the Common Units he/she exchanges in the Proposed Merger and the amount of any suspended passive losses that may be available to him. A U.S. Holder's tax liability resulting from the Proposed Merger may be greater than the amount of cash he/she receives, if any, pursuant to the Proposed Merger.

Because the value of any shares of UGI common stock received in the Proposed Merger will not be known until the effective time of the Proposed Merger, a Partnership unitholder will not be able to determine his/her amount realized, and therefore his/her taxable gain or loss, until such time. In addition, because prior distributions in excess of a Partnership unitholder's allocable share of the Partnership's net taxable income decrease the unitholder's tax basis in his/her common units, the amount, if any, of the prior excess distributions with respect to such common units will, in effect, become taxable income to the unitholder if the aggregate value of the consideration received in the Proposed Merger is greater than the unitholder's adjusted tax basis in his/her common units, even if the aggregate value of the consideration received in the Proposed Merger is less than the unitholder's original cost basis in his/her common units. Furthermore, a portion of this gain or loss, which could be substantial, will be separately computed and taxed as ordinary income or ordinary loss to the extent attributable to "unrealized receivables," including depreciation recapture, or to "inventory items" owned by the Partnership and its subsidiaries.

For purposes of this Form 10-Q, a “U.S. Holder” is a beneficial owner of Common Units that is for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- a trust if (i) a U.S. court is able to exercise primary supervision over the trust’s administration and one or more United States persons (as defined in the Code) are authorized to control all substantial decisions of the trust or (ii) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a United States person for U.S. federal income tax purposes; or
- an estate, the income of which is subject to U.S. federal income tax regardless of its source.

U.S. federal income tax treatment of owning and disposing of Common Units.

The Partnership is classified as a partnership for U.S. federal income tax purposes and, generally, is not subject to entity-level U.S. federal income taxes. Instead, each Partnership unitholder is required to take into account his/her respective share of the items of income, gain, loss and deduction of the Partnership in computing his/her U.S. federal income tax liability, even if no cash distributions are made by the Partnership to such unitholder. A pro rata distribution of cash by the Partnership to a U.S. Holder is generally not taxable for U.S. federal income tax purposes unless the amount of cash distributed is in excess of the unitholder’s adjusted tax basis in his/her Common Units.

In contrast, UGI is classified as a corporation for U.S. federal income tax purposes and is subject to U.S. federal income tax on its taxable income. A distribution of cash by UGI to a UGI shareholder who is a U.S. Holder will generally be included in such U.S. Holder’s income as ordinary dividend income to the extent of UGI’s current or accumulated “earnings and profits” as determined under U.S. federal income tax principles. A portion of the cash distributed to UGI shareholders by UGI after the Proposed Merger may exceed UGI’s current and accumulated earnings and profits. Distributions of cash in excess of UGI’s current and accumulated earnings and profits will be treated as a non-taxable return of capital reducing a U.S. Holder’s adjusted tax basis in such U.S. Holder’s shares of UGI common stock and, to the extent the distribution exceeds such stockholder’s adjusted tax basis, as capital gain from the sale or exchange of such shares of UGI common stock.

ITEM 6. EXHIBITS

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

Exhibit No.	Exhibit	Registrant	Filing	Exhibit
2.1	Agreement and Plan of Merger, dated as of April 1, 2019, by and among UGI Corporation, AmeriGas Propane Holdings, Inc., AmeriGas Propane Holdings, LLC, AmeriGas Partners, L.P. and AmeriGas Propane, Inc.*	AmeriGas Partners, L.P.	Form 8-K (4/1/19)	2.1
10.1	Support Agreement, dated as of April 1, 2019, by and between AmeriGas Partners, L.P. and AmeriGas Propane, Inc.	AmeriGas Partners, L.P.	Form 8-K (4/1/19)	10.1
10.2	Form of AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P., Phantom Unit Grant Letter for Non-Employee Directors.			
10.3	AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on behalf of AmeriGas Partners, L.P., Terms and Conditions, effective January 1, 2019.			
10.4	AmeriGas Propane, Inc. Executive Annual Bonus Plan as amended November 15, 2018.			

10.5	Form of UGI Corporation 2013 Omnibus Incentive Compensation Plan Nonqualified Stock Option Grant Letter for UGI and Utilities Employees.
10.6	Form of UGI Corporation 2013 Omnibus Incentive Compensation Plan Performance Unit Grant Letter for UGI and Utilities Employees.
10.7	Form of UGI Corporation 2013 Omnibus Incentive Compensation Plan Stock Unit Grant Letter for Non-Employee Directors.
10.8	Form of UGI Corporation 2013 Omnibus Incentive Compensation Plan, Nonqualified Stock Option Grant Letter for Non-Employee Directors.
10.9	UGI Corporation 2013 Omnibus Incentive Compensation Plan, Terms and Conditions for Non-Employee Directors, effective January 1, 2019.
10.10	Form of Confidentiality, Non-Competition and Non-Solicitation Agreement between UGI Corporation and Ms. Ann P. Kelly.
10.11	Form of Change in Control Agreement between UGI Corporation and Ms. Ann P. Kelly.
10.12	Form of AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on behalf of AmeriGas Partners, L.P. Performance Unit Grant Letter.
10.13	Form of UGI Corporation 2013 Omnibus Incentive Compensation Plan, Nonqualified Stock Option Grant Letter for AmeriGas Employees.
31.1	Certification by the Chief Executive Officer relating to the Registrant's Report on Form 10-Q for the quarter ended March 31, 2019, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by the Chief Financial Officer relating to the Registrant's Report on Form 10-Q for the quarter ended March 31, 2019, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification by the Chief Executive Officer and the Chief Financial Officer relating to the Registrant's Report on Form 10-Q for the quarter ended March 31, 2019, 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

* The schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K and will be provided to the Securities and Exchange Commission upon request.

EXHIBIT INDEX

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMERIGAS PARTNERS, L.P.

(Registrant)

By: AmeriGas Propane, Inc.
as General Partner

Date: May 8, 2019

By: /s/ Ann P. Kelly
Ann P. Kelly
Chief Financial Officer

Date: May 8, 2019

By: /s/ Craig M. Dadamo
Craig M. Dadamo
Controller and Chief Accounting Officer

FORM OF AMERIGAS PROPANE, INC.
2010 LONG-TERM INCENTIVE PLAN
ON BEHALF OF AMERIGAS PARTNERS, L.P.

PHANTOM UNIT GRANT LETTER

This PHANTOM UNIT GRANT, dated _____ (the “Date of Grant”), is delivered by AmeriGas Propane, Inc. (the “Company”) to _____ (the “Participant”).

RECITALS

WHEREAS, the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. (the “Plan”) provides for the grant of Phantom Units (“Phantom Units”) with respect to common units of AmeriGas Partners, L.P. (“APLP”);

WHEREAS, the Plan has been adopted by the Board of Directors of the Company (the “Board”), and approved by common unit holders of APLP (“Unitholders”);

WHEREAS, a Phantom Unit is a Phantom Unit that represents the value of one common unit of APLP (“Common Unit”); and

WHEREAS, the Board has decided to grant Phantom Units to the Participant on the terms described below.

NOW, THEREFORE, the parties to this Grant Letter, intending to be legally bound hereby, agree as follows:

1. Grant of Phantom Units.

(a) Subject to the terms and conditions set forth in this Grant Letter, the Board hereby awards the Participant an award of _____ Phantom Units (as defined in Section 4). The Phantom Units are granted with Distribution Equivalents (as defined in Section 4).

(b) The Company shall keep records in an Account (as defined in Section 4) to reflect the number of Phantom Units and Distribution Equivalents credited to the Participant. Fractional Phantom Units shall accumulate in the Participant’s Account and shall be added to other fractional Phantom Units to create whole Phantom Units.

2. Distribution Equivalents with Respect to Phantom Units.

(a) *Crediting of Distribution Equivalents.* From the Date of Grant until the Participant's Account has been fully distributed, on each payment date for a distribution paid by APLP on its Common Units, the Company shall credit to the Participant's Account an amount equal to the Distribution Equivalent associated with the Phantom Units credited to the Participant on the record date for the distribution.

(b) *Conversion to Phantom Units.* On the last day of each Plan Year (as defined in Section 4), the amount of the Distribution Equivalents credited to the Participant's Account during that Plan Year shall be converted to a number of Phantom Units, based on the Unit Value (as defined in Section 4) on the last day of the Plan Year. In the event of a Change of Control (as defined in the Plan) or in the event the Participant dies or Separates from Service (as defined in Section 4) prior to the last day of the Plan Year, as soon as practicable following such event, and in no event later than the date on which Phantom Units are redeemed in accordance with Section 3, the Company shall convert the amount of Distribution Equivalents previously credited to the Participant's Account during the Plan Year to a number of Phantom Units based on the Unit Value on the date of such Change of Control, death or Separation from Service.

3. Events Requiring Redemption of Phantom Units.

(a) *Redemption.* The Company shall redeem Phantom Units credited to the Participant's Account at the times and in the manner prescribed by this Section 3. When Phantom Units are to be redeemed, the Company will determine the Unit Value of the Phantom Units credited to the Participant's Account as of the date of the Participant's Separation from Service or death. Except as described in subsection (c) below, an amount equal to 65% of the aggregate Unit Value will be paid in the form of whole Common Units (with fractional Common Units paid in cash), and the remaining 35% of the aggregate Unit Value will be paid in cash.

(b) *Separation from Service or Death.* In the event the Participant Separates from Service or dies, the Company shall redeem all the Phantom Units then credited to the Participant's Account as of the date of the Participant's Separation from Service or death. In the event of a Separation from Service, the redemption amount shall be paid within 30 business days after the date of the Participant's Separation from Service. In the event of death, the redemption amount shall be paid to the Participant's estate within 60 business days after the Participant's death.

(c) *Change of Control.* In the event of a Change of Control, the Company shall redeem all the Phantom Units then credited to the Participant's Account. The redemption amount shall be paid in cash on the closing date of the Change of Control (except as described below). The amount paid shall equal the product of the number of Phantom Units being redeemed multiplied by the Unit Value at the date of the Change of Control. However, in the event that the transaction constituting a Change of Control is not a change in control event under section 409A of the Code (as defined in Section 4), the Participant's Phantom Units shall be redeemed and paid in cash upon Separation from Service or death on the applicable date described in subsection (b) above (based on the aggregate Unit Value on the date of Separation from Service or death as determined by the Board), instead of upon the Change of Control pursuant to this subsection (c). If payment is delayed after the Change of Control, pursuant to the preceding

sentence, the Board may provide for the Phantom Units to be valued as of the date of the Change of Control and interest to be credited on the amount so determined at a market rate for the period between the Change of Control date and the payment date.

(d) *Deferral Elections*. Notwithstanding the foregoing, pursuant to the Deferral Plan, the Participant may make a one-time, irrevocable election to elect to have all of the Participant's Phantom Units credited to the Participant's account under the Deferral Plan on the date of the Participant's Separation from Service, in lieu of the redemption and payments described in subsection (b) above. If the Participant makes a deferral election, the Participant's Phantom Units will be credited to the Participant's account under the Deferral Plan at Separation from Service and the amount credited to the Deferral Plan shall be distributed in accordance with the provisions of the Deferral Plan. If the Participant makes a deferral election under the Deferral Plan and a Change of Control occurs: (i) subsection (c) above shall apply if the Change of Control occurs before the Participant's Separation from Service and (ii) the terms of the Deferral Plan shall apply if the Change of Control occurs after or simultaneously with the Participant's Separation from Service. An election under the Deferral Plan shall be made in writing, on a form and at a time prescribed by the committee that administers the Deferral Plan and shall be irrevocable upon submission to the Corporate Secretary. A deferral election shall be made in accordance with section 409A of the Code.

4. Definitions. For purposes of this Grant Letter, the following terms will have the meanings set forth below:

(a) "*Account*" means the Company's bookkeeping account established pursuant to Section 1, which reflects the number of Phantom Units and the amount of Distribution Equivalents standing to the credit of the Participant.

(b) "*APLP*" means AmeriGas Partners, L.P.

(c) "*Distribution Equivalent*" means an amount determined by multiplying the number of Common Units subject to Phantom Units by the per-Common Unit cash distribution, or the per-Common Unit fair market value of any distribution in consideration other than cash, paid by APLP on its Common Units.

(d) "*Code*" means the Internal Revenue Code of 1986, as amended.

(e) "*Deferral Plan*" means the UGI Corporation 2009 Deferral Plan, as amended and restated.

(f) "*Plan Year*" means the calendar year.

(g) "*Separates from Service*" or "*Separation from Service*" means the Participant's termination of service as a non-employee director and as an employee of the Company for any reason other than death and shall be determined in accordance with section 409A of the Code.

(h) “*Phantom Unit*” means the right of the Participant to receive a Common Unit, or an amount based on the value of a Common Unit, subject to the terms and conditions of this Grant Letter and the Plan.

(i) “*Unit Value*” means, at any time, the value of each Phantom Unit, which value shall be equal to the Fair Market Value (as defined in the Plan) of a Common Unit on such date.

5. Taxes. All obligations of the Company under this Grant Letter shall be subject to the rights of the Company as set forth in the Plan to withhold amounts required to be withheld for any taxes, if applicable.

6. Conditions. The obligation of the Company to deliver Common Units shall also be subject to the condition that if at any time the Board shall determine in its discretion that the listing, registration or qualification of the Common Units upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the issue of Common Units, the Common Units may not be issued in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board. The issuance of Common Units to the Participant pursuant to this Grant Letter is subject to any applicable taxes and other laws or regulations of the United States or of any state having jurisdiction thereof.

7. Grant Subject to Plan Provisions.

(a) This grant is made pursuant to the Plan, which is incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and payment of Phantom Units are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Board in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (i) the registration, qualification or listing of the Common Units issued under the Plan, (ii) changes in capitalization of APLP and (iii) other requirements of applicable law. The Board shall have the authority to interpret and construe this Grant Letter pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

(b) All Common Units issued pursuant to this grant shall be subject to any applicable policies implemented by the Board of Directors of the Company, as in effect from time to time.

8. No Unit Holder Rights. Neither the Participant, nor any person entitled to receive payment in the event of the Participant’s death, shall have any of the rights and privileges of a Unitholder with respect to the Common Units, until certificates for the Common Units have been issued upon payment of Phantom Units. The Participant shall not have any interest in any fund or specific assets of the Company by reason of this award or the Phantom Unit account established for the Participant.

9. Assignment and Transfers. The rights and interests of the Participant under this Grant Letter may not be sold, assigned, encumbered or otherwise transferred except, in the event of the

AMERIGAS PROPANE, INC.

2010 LONG-TERM INCENTIVE PLAN

ON BEHALF OF AMERIGAS PARTNERS, L.P.

TERMS AND CONDITIONS

Effective January 1, 2019

AmeriGas Propane, Inc.
2010 Long-Term Incentive Plan
on Behalf of AmeriGas Partners, L.P.
Terms and Conditions

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AmeriGas Propane, Inc.
2010 Long-Term Incentive Plan
on Behalf of AmeriGas Partners, L.P.

Performance Units and Phantom Units For Employees

Terms and Conditions

The following Terms and Conditions shall be used for purposes of administering Performance Units and Phantom Units granted to Employees under the Plan. The Committee has discretion to modify or deviate from the Terms and Conditions at any time, and in all events the specific terms of the Grant Letter shall control. The defined terms shall have the meanings given those terms in the Plan or in these Terms and Conditions, if not defined in the Plan.

1. **Definitions**

Whenever used in these Terms and Conditions for Employees, the following terms shall have the meanings set forth below:

- (a) “*Account*” means a bookkeeping account established on the records of AmeriGas or its Affiliates to record Performance Units, Phantom Units and Distribution Equivalents credited under the Plan.
- (b) “*Affiliate*” shall have the meaning ascribed to such term in Rule 12b-2 of the General Rules under the Exchange Act.
- (c) “*AmeriGas*” means AmeriGas Propane, Inc.
- (d) “*APLP*” means AmeriGas Partners, L.P.
- (e) “*Code*” means the Internal Revenue Code of 1986, as amended.
- (f) “*Committee*” means the Compensation/Pension Committee of the Board of Directors of AmeriGas or its successor.
- (g) “*Common Unit*” means a common unit of APLP.
- (h) “*Disability*” or “*Disabled*” means a long-term disability as determined under the long-term disability plan of AmeriGas, UGI or one of their Affiliates, which is applicable to the Participant.
- (i) “*Exchange Act*” means the Securities Exchange Act of 1934, as amended.

(j) “*Good Reason Termination*” shall mean a termination of employment or service initiated by the Participant upon or after a Change of Control upon one or more of the following events:

(i) a material diminution in the authority, duties or responsibilities held by the Participant immediately prior to the Change of Control;

(ii) a material diminution in the Participant’s base salary as in effect immediately prior to the Change of Control; or

(iii) a material change in the geographic location at which the Participant must perform services (which, for purposes of this Agreement, means the Participant is required to report, other than on a temporary basis (less than 12 months), to a location which is more than 50 miles from the Participant’s principal place of business immediately before the Change of Control, without the Participant’s express written consent).

Notwithstanding the foregoing, the Participant shall be considered to have a Good Reason Termination only if the Participant provides written notice to AmeriGas, specifying in reasonable detail the events or conditions upon which the Participant is basing such good Reason Termination and the Participant provides such notice within 90 days after the event that gives rise to the Good Reason Termination. Within 30 days after notice has been provided, AmeriGas shall have the opportunity, but shall have no obligation, to cure such events or conditions that give rise to the Good Reason Termination. If AmeriGas does not cure such events or conditions within the 30-day period, the Participant may terminate employment based on Good Reason Termination within 30 days after the expiration of the cure period.

Notwithstanding the foregoing, if the Participant has in effect a Change in Control Agreement with AmeriGas or an Affiliate, the term “Good Reason Termination” shall have the meaning given that term in the Change in Control Agreement.

(k) “*Retirement*” means the Participant’s separation from employment upon or after attaining (i) age 55 with at least 10 years of service with AmeriGas or its Affiliates, or (ii) age 65 with at least 5 years of service with AmeriGas or its Affiliates.

(l) “*Severance Plan*” means any severance plan maintained by AmeriGas, UGI or an Affiliate of AmeriGas or UGI, that is applicable to the Participant.

(m) “*UGI*” means UGI Corporation.

2. Performance Units

(a) *Grant of Performance Units*. The Committee shall select the Employees who shall receive Performance Units and shall determine the number of Common Units subject to Performance Units and the terms of the Performance Units. Unless the Committee determines otherwise, Distribution Equivalents shall be granted with respect to Performance Units. The Committee shall specify in the Grant Letter for Performance Units the terms and conditions of

the Performance Units and the applicable restrictions and performance goals, including the objective goals, employment requirements, period during which the Performance Units shall be subject to restrictions and other conditions of the Grant.

(b) *Terms.* The Committee shall establish performance goals and terms for Performance Units in accordance with Section 9 of the Plan. The Committee shall establish appropriate threshold, target amount and maximum payments to be made with respect to the Performance Units.

(c) *Requirements of Employment or Service.* If the Participant ceases to be employed by, or provide service to, AmeriGas or its Affiliates during the applicable period specified in the Grant Letter, all of the Participant's Performance Units shall terminate. However, if a Participant holding Performance Units ceases to be employed by, or provide service to AmeriGas by reason of Retirement, Disability, or death, the restrictions on Performance Units held by the Participant shall lapse pursuant to the following:

(i) If a Participant terminates employment or service on account of Retirement, Disability or death, the restrictions on a pro-rata portion of the Participant's outstanding Performance Units shall lapse at the end of the restriction period set forth in the Grant Letter, if the performance goals and all requirements of the Grant Letter (other than continued employment) are met. The prorated portion shall be determined, for each Performance Unit, as the amount that would otherwise be paid according to the terms of the Performance Unit, based on achievement of the performance goals, multiplied by a fraction, the numerator of which is the number of years during the restriction period in which the Participant has been employed by, or provided service to, AmeriGas or its Affiliates and the denominator of which is three. For purposes of the proration calculation, the year in which the Participant's Retirement, Disability, or death occurs shall be counted as a full year.

(ii) In the event of Retirement, Disability or death, the prorated portion of the Performance Units shall be paid at the date specified for payment of the Performance Units in the Grant Letter, or at an earlier date determined by the Committee in the Grant Letter.

(d) *Payment with Respect to Performance Units.* If the Committee determines that the conditions to payment of the Performance Units have been met, AmeriGas shall pay to the Participant, within 2½ months after the end of the restriction period, Common Units equal to the number of Performance Units to be paid according to achievement of the Performance Goals, provided that AmeriGas may withhold Common Units to cover required tax withholding in an amount equal to the minimum statutory tax withholding requirement in respect to Performance Units earned. The Grant Letter may provide that a portion of the Performance Units (e.g., the number of Performance Units to be paid in excess of the target award) will be paid in cash instead of Common Units.

(e) *Distribution Equivalents with Respect to Performance Units.* Distribution Equivalents, if granted, shall accrue with respect to Performance Units and shall be payable subject to the same performance goals and terms as the Performance Units to which they relate. Distribution Equivalents shall be credited with respect to the target award of Performance Units

from the Date of Grant until the payment date, provided, however, that the Participant may be eligible to receive Distribution Equivalents in excess of the target award if certain performance goals are satisfied, as provided in the Grant Letter. If and to the extent that the underlying Performance Units are forfeited, all related Distribution Equivalents shall also be forfeited.

(f) *Accounts.* While Performance Units are outstanding, AmeriGas shall keep records in an Account for each Participant who holds Performance Units. On each payment date for a distribution paid by APLP on its common units, AmeriGas shall credit to the Participant's Account an amount equal to the Distribution Equivalents associated with the target award of Performance Units held by the Participant on the record date for the distribution. No interest shall be credited to any such Account.

(g) *Payment of Distribution Equivalents.* Distribution Equivalents shall be paid in cash at the same time and on the same terms as the underlying Performance Units are paid, after the Committee determines that the conditions to payment have been met.

(h) *Change of Control.* Upon a Change of Control, outstanding Performance Units granted before November 2012, and related Distribution Equivalents, shall be paid in cash in an amount equal to the greater of (i) the target amount or (ii) the amount earned as of the date of the Change of Control based on AmeriGas's achievement of the performance goals as of the Change of Control, as determined by the Committee. If a former Participant is entitled to receive a prorated award for the restriction period, the award shall be the prorated portion of the amount described in the preceding sentence. The Performance Units and Distribution Equivalents shall be paid on the closing date of the Change of Control. Outstanding Performance Units granted in November 2012 and thereafter, and related Dividend Equivalents shall vest upon a Termination without Cause or Good Reason Termination upon, or during a specified period after, a Change of Control as described in the Grant Letter ("double trigger" vesting), and special rules may apply for termination of service on account of Retirement, death or Disability before or after a Change of Control, as described in the Grant Letter.

3. Phantom Units – Executive Employees

(a) *Grant of Phantom Units.* The Committee shall select the executive level Employees who shall receive Phantom Units and shall determine the number of Common Units subject to Phantom Units and the terms of the Phantom Units. Unless the Committee determines otherwise, Distribution Equivalents shall be granted with respect to Phantom Units for executive level Employees. The Committee shall specify in the Participant's Grant Letter the terms and conditions of the Phantom Units and the applicable restrictions, including the period during which the Phantom Units shall be subject to vesting requirements, if any, and other conditions of the Grant.

(b) *Vesting of Phantom Units.* Phantom Units will vest on such terms as the Committee determines and specifies in the Grant Letter. If the Participant ceases to be employed by, or provide service to, AmeriGas or its Affiliates, any unvested Phantom Units will immediately terminate, except as provided below. The Committee may authorize payment of Phantom Units on a prorated or other basis in such circumstances as the Committee deems

appropriate, including in the event that a Participant ceases to be employed by, or provide service to AmeriGas or its Affiliates, on account of Retirement, Disability or death.

(c) *Payment with respect to Phantom Units.* A Participant will receive payment with respect to Phantom Units as the Phantom Units vest, within 30 business days after the vesting date. Payment with respect to Phantom Units shall be made in Common Units, provided that AmeriGas may withhold Common Units to cover required tax withholding in an amount equal to the minimum statutory tax withholding requirement in respect to Phantom Units earned.

(d) *Distribution Equivalents with Respect to Phantom Units.* Distribution Equivalents, if granted, shall accrue with respect to Phantom Units and shall be payable subject to the same terms as the Phantom Units to which they relate. Distribution Equivalents shall be credited with respect to Phantom Units from the Date of Grant until the payment date. If the underlying Phantom Units are forfeited, all related Distribution Equivalents shall also be forfeited.

(e) *Accounts.* While Phantom Units are outstanding, AmeriGas shall keep records in an Account for each Participant who holds Phantom Units. If the Phantom Unit was granted with Distribution Equivalents, on each payment date for a distribution paid by APLP on its common units, AmeriGas shall credit to the Participant's Account an amount equal to the Distribution Equivalents associated with the Phantom Units held by the Participant on the record date for the distribution. No interest shall be credited to any such Account.

(f) *Payment of Distribution Equivalents.* Distribution Equivalents shall be paid after the vesting and other requirements specified in the Grant Letter have been met, at the same time as the underlying Phantom Units are paid or as otherwise determined by the Committee. Distribution Equivalents will be paid in cash.

(g) *Change of Control.*

(i) All outstanding Phantom Units granted before November 2012 shall become fully vested upon a Change of Control and shall be paid in cash on the closing date of the Change of Control (except as described below). All Distribution Equivalents shall become fully vested and paid when the underlying Phantom Units are paid. Notwithstanding the foregoing, if the Phantom Units are subject to section 409A of the Code, the Phantom Units shall be paid upon a Change of Control only if the transaction constituting a Change of Control is also a change in control event under section 409A of the Code ("409A Change in Control Event"). If the transaction constituting a Change of Control does not constitute a 409A Change in Control Event, the outstanding Phantom Units shall vest upon the Change of Control, and any outstanding Phantom Units that are subject to section 409A shall be paid in cash (based on the Unit Value of the Phantom Units on the payment date as determined by the Committee) within 30 days after the first to occur of (x) the vesting date set forth in the Participant's Grant Letter or (y) the Participant's termination of employment or service (subject to the section 409A six-month delay, if applicable). If payment is delayed after the Change of Control, the Committee may provide for the Phantom Units to be valued as of the date of the Change of Control and interest

to be credited on the amount so determined at a market rate for the period between the Change of Control date and the payment date.

(ii) Outstanding Phantom Units granted in November 2012 and thereafter, and related Dividend Equivalents, shall vest upon a Termination without Cause or Good Reason Termination upon, or during a specified period after, a Change of Control as described in the Grant Letter (“double trigger” vesting).

4. Phantom Units – Non-Executive Employees

(a) *Grant of Phantom Units.* The Committee shall select the non-executive level Employees who shall receive Phantom Units and shall determine the number of Common Units subject to Phantom Units and the terms of the Phantom Units. Unless the Committee determines otherwise, Distribution Equivalents shall not be granted with respect to Phantom Units for non-executive Employees. The Committee shall specify in the Participant’s Grant Letter the terms and conditions of the Phantom Units and the applicable restrictions, including the period during which the Phantom Units shall be subject to vesting requirements, if any, and other conditions of the Grant.

(b) *Vesting of Phantom Units.* Phantom Units will vest on such terms as the Committee determines and specifies in the Grant Letter. Unless the Committee determines otherwise, if the Participant ceases to be employed by, or provide service to, AmeriGas or its Affiliates, any unvested Phantom Units will immediately terminate and be forfeited.

(c) *Payment with respect to Phantom Units.* A Participant will receive payment with respect to Phantom Units when the Phantom Units vest, within 30 business days after the vesting date. Payment with respect to Phantom Units shall be made in Common Units, provided that AmeriGas may withhold Common Units to cover required tax withholding in an amount equal to the minimum statutory tax withholding requirement in respect to Phantom Units earned.

(d) *Accounts.* While Phantom Units are outstanding, AmeriGas shall keep records in an Account for each Participant who holds Phantom Units.

(e) *Change of Control.* The Committee may specify in the Grant Letter the effect that a Change of Control will have on Phantom Units.

5. Section 409A. Performance Units, Phantom Units and Distribution Equivalents are intended to meet the requirements of section 409A of the Code or an exemption from such requirements.

AmeriGas Propane, Inc.
2010 Long-Term Incentive Plan
on Behalf of AmeriGas Partners, L.P.

Phantom Units For Non-Employee Directors

Terms and Conditions

The following Terms and Conditions shall be used for purposes of administering Phantom Units granted to Non-Employee Directors under the Plan. The Committee has discretion to modify or deviate from the Terms and Conditions at any time, and in all events the specific terms of the Grant Letter shall control. The defined terms shall have the meanings given those terms in the Plan or in these Terms and Conditions, if not defined in the Plan.

1. **Definitions**

Whenever used in these Terms and Conditions for Non-Employee Directors, the following terms shall have the meanings set forth below:

- (a) “*Account*” means a bookkeeping account established on the records of AmeriGas or its Affiliates to record Phantom Units and Distribution Equivalents credited under the Plan.
- (b) “*AmeriGas*” means AmeriGas Propane, Inc.
- (c) “*APLP*” means AmeriGas Partners, L.P.
- (d) “*Code*” means the Internal Revenue Code of 1986, as amended.
- (e) “*Committee*” means, for purposes of Grants to Non-Employee Directors, the Board or its delegate.
- (f) “*Common Unit*” means a common unit of APLP.
- (g) “*Deferral Plan*” means the UGI Corporation 2009 Deferral Plan.
- (h) “*Plan Year*” means the calendar year.
- (i) “*Separates from Service*” means the Non-Employee Director’s termination of service as a non-employee director and as an employee of AmeriGas for any reason other than death and shall be determined in accordance with section 409A of the Code.
- (j) “*Unit Value*” means, at any time, the value of each Phantom Unit, which value shall be equal to the Fair Market Value (as defined in the Plan) of a Common Unit on such date.

2. Phantom Units

(a) *Annual Award of Phantom Units.* Each Non-Employee Director shall receive an annual award of Phantom Units in the amount set forth on the attached Exhibit A on the date set forth therein. Such Phantom Units shall be credited to each Non-Employee Director's Account as specified in Section 2(c) below. Any Non-Employee Director who becomes a Non-Employee Director mid-year (i.e., after the annual organizational meeting) shall not automatically receive an award of Phantom Units upon election to the Board.

(b) *Distribution Equivalents*

(i) *Crediting of Distribution Equivalents.* From the Date of Grant of each Phantom Unit until the Non-Employee Director's Account has been fully distributed, on each payment date for a distribution paid by APLP on its Common Units, AmeriGas shall credit to the Non-Employee Director's Account an amount equal to the Distribution Equivalent associated with the Phantom Units held by the Non-Employee Director on the record date for the distribution.

(ii) *Conversion to Phantom Units.* On the last day of each Plan Year, the amount of the Distribution Equivalents credited to the Non-Employee Director's Account during that Plan Year shall be converted to a number of Phantom Units, based on the Unit Value on the last day of the Plan Year. In the event of a Change of Control or in the event the Non-Employee Director dies or Separates from Service prior to the last day of the Plan Year, as soon as practicable following such event and in no event later than the date on which Phantom Units are redeemed, AmeriGas shall convert the amount of the Distribution Equivalents credited to the Non-Employee Director's Account as of the date of the Change of Control, death or Separation from Service (the "Conversion Date") to a number of Phantom Units based on the Unit Value on the Conversion Date.

(c) *Accounts.* AmeriGas shall keep records to reflect the number of Phantom Units and Distribution Equivalents credited to each Non-Employee Director. Fractional Phantom Units shall accumulate in the Non-Employee Director's Account and shall be added to other fractional Phantom Units held in such Account to create whole Phantom Units.

3. Events Requiring Redemption of Phantom Units

AmeriGas shall redeem Phantom Units credited to a Non-Employee Director's Account only at the times and in the manner prescribed by the terms of this Section 3 and the Grant Letter.

(a) *Redemption.* When Phantom Units are to be redeemed, AmeriGas will determine the Unit Value of the Phantom Units credited to the Non-Employee Director's Account as of the date of the Non-Employee Director's Separation from Service or death. Except as described in subsection (c) below, an amount equal to 65% of the aggregate Unit Value of the Phantom Units shall be paid in the form of whole Common Units (with fractional Common Units paid in cash), and the remaining 35% of the aggregate Unit Value of the Phantom Units shall be paid in cash.

(b) *Separation from Service or Death.* In the event a Non-Employee Director Separates from Service or dies, AmeriGas shall redeem all of the Phantom Units then credited to the Non-Employee Director's Account as of the date of such Separation from Service or death. In the event of a Separation from Service, the redemption amount shall be paid within 30 business days after the date of the Non-Employee Director's Separation from Service. In the event of death, the redemption amount shall be paid to the Non-Employee Director's estate within 60 business days after the Non-Employee Director's death.

(c) *Change of Control.* In the event of a Change of Control, AmeriGas shall redeem all the Phantom Units then credited to the Non-Employee Director's Account. The redemption amount shall be paid in cash on the closing date of the Change of Control (except as described below). The amount paid shall equal the product of the number of Phantom Units being redeemed multiplied by the Unit Value at the date of the Change of Control. However, in the event that the transaction constituting a Change of Control is not a change in control event under section 409A of the Code, the Non-Employee Director's Phantom Units shall be redeemed and paid in cash upon Separation from Service or death on the applicable date described in subsection (b) above (based on the aggregate Unit Value of the Phantom Units on the date of Separation from Service or death as determined by the Committee), instead of upon the Change of Control pursuant to this subsection (c). If payment is delayed after the Change of Control, pursuant to the preceding sentence, the Committee may provide for the Phantom Units to be valued as of the date of the Change of Control and interest to be credited on the amount so determined at a market rate for the period between the Change of Control date and the payment date.

(d) *Effect on Outstanding Phantom Units and Distribution Equivalents.* The provisions of this Section 3 relating to the medium of payment (i.e., payment in cash or in a combination of cash and Common Units) shall apply to all outstanding Phantom Units and Distribution Equivalents.

(e) *Section 409A.* Phantom Units and Distribution Equivalents are intended to meet the requirements of section 409A of the Code or an exemption from such requirements.

(f) *Deferral Elections.* Notwithstanding the foregoing, a Non-Employee Director may make a one-time, irrevocable election to elect to have all of the Non-Employee Director's Phantom Units credited to the Non-Employee Director's account under the Deferral Plan on the date of the Non-Employee Director's Separation from Service, in lieu of the redemption and payments described in subsection (b). If the Non-Employee Director makes a deferral election, the Non-Employee Director's Phantom Units will be credited to the Non-Employee Director's account under the Deferral Plan at Separation from Service and the amount credited to the Deferral Plan shall be distributed in accordance with the provisions of the Deferral Plan. If the Non-Employee Director makes a deferral election and a Change of Control occurs: (i) subsection (c) above shall apply if the Change of Control occurs before the Non-Employee Director's Separation from Service and (ii) the terms of the Deferral Plan shall apply if the Change of Control occurs after or simultaneously with the Non-Employee Director's Separation from Service. An election under this subsection (f) shall be made in writing, on a form and at a time

prescribed by the Committee and shall be irrevocable upon submission to the Corporate Secretary.

Exhibit A

Non-Employee Director Grants

Phantom Units:

The number of units based on a value determined by the Board in its discretion

Grant Date: The date on which the Non-Employee Director is elected to the Board of Directors at an annual organizational meeting, provided that a Non-Employee Director who becomes a Non-Employee Director mid-year (i.e., after the annual organizational meeting) shall not automatically receive an award of Phantom Units upon election to the Board.

AMERIGAS PROPANE, INC.
EXECUTIVE ANNUAL BONUS PLAN
(As amended as of November 15, 2018)

I. Purpose. The purpose of the AmeriGas Propane, Inc. Executive Annual Bonus Plan (the “Plan”) is to provide a means whereby AmeriGas Propane, Inc. (the “Company”), which is the general partner of AmeriGas Partners, L.P., may provide incentive compensation to its eligible employees to serve as an incentive for employee performance and retention. The Plan is intended to encourage eligible employees to contribute to the growth of AmeriGas Partners, L.P. and the enhancement of unitholder value. The Plan is part of a total compensation structure under which a meaningful portion of eligible employees’ total compensation is based on achievement of performance goals relating to the eligible employees’ business and/or area of responsibility. The Plan was originally effective as of October 1, 2006, was amended and restated as of November 15, 2012, and is hereby amended and restated as of November 15, 2018.

II. Definitions. Whenever used in this Plan, the following terms will have the respective meanings set forth below:

2.1 “*Administrative Committee*” means the Chief Executive Officer of UGI Corporation and the chief human resources officer of UGI Corporation.

2.2 “*AmeriGas LTIP*” means the AmeriGas Propane, Inc. 2010 Long Term Incentive Plan on behalf of AmeriGas Partners, L.P., as in effect from time to time, or a successor plan.

2.3 “*Board*” means the board of directors of the Company as constituted from time to time.

2.4 “*Code*” means the Internal Revenue Code of 1986, as amended.

2.5 “*Committee*” means (i) for Senior Management, the Compensation/Pension Committee of the Board or its successor or (ii) for Eligible Employees who are not members of Senior Management, the Chief Executive Officer of the Company or his designee.

2.6 “*Company*” means AmeriGas Propane, Inc., a Pennsylvania corporation, or any successor thereto.

2.7 “*Eligible Employee*” means, unless determined otherwise by the Committee, a U.S. salaried employee of the Employer who is compensated in the executive salary grade structure. The Committee may also designate in writing that one or more other senior level employees of an Employer shall be Eligible Employees for purposes of the Plan for a Fiscal Year, in its sole discretion.

2.8 “*Employer*” means, unless determined otherwise by the Committee, the Company and its subsidiaries.

2.9 “*Fiscal Year*” means the Company’s fiscal year beginning each October 1 and ending each September 30.

2.10 “*Participant*” means, unless determined otherwise by the Committee, an Eligible Employee who provides services to the Employer during the applicable Fiscal Year. Participants in any other annual bonus plan of an Employer, are not eligible to participate in the Plan, except in the case of a transfer to or from an eligible position during a Fiscal Year, as set forth in Section 3.4.

2.11 “*Plan*” means this AmeriGas Propane, Inc. Executive Annual Bonus Plan, as in effect from time to time.

2.12 “*Senior Management*” means those Eligible Employees who are designated as executive officers by the Board pursuant to Rule 16a-1 of the rules promulgated pursuant to the Securities Exchange Act of 1934, as amended.

2.13 “*Unit Award*” shall have the meaning given that term under the AmeriGas LTIP.

III. Annual Bonus.

3.1 **Target Bonus.** At the beginning of each Fiscal Year, the Committee shall establish a target bonus as a percentage of each Participant’s salary for the Fiscal Year. Each Participant shall be eligible to receive an annual bonus for the Fiscal Year based on the achievement of business and financial performance goals, and the Participant’s individual performance goals, if applicable, during the Fiscal Year, as established by the Committee in its discretion. The amount actually paid to a Participant may be more or less than the target bonus amount, depending on the extent to which the performance goals are satisfied, as determined by the Committee.

3.2 Performance Goals.

(a) **Business/Financial Goals.** At the beginning of each Fiscal Year, the Committee shall establish the business and/or financial performance goals for the Fiscal Year and leverage tables (as described below) that apply to the performance goals.

(b) **Individual Goals.** The Committee shall determine which Participants shall have individual performance goals as part of their bonus calculation. At the beginning of each Fiscal Year, the Committee shall establish each Participant’s individual performance goals for the year, if applicable, and shall set leverage tables that shall apply to individual performance goals.

(c) **Weighting; Leverage Tables.** At the time the Committee establishes performance goals for each Fiscal Year, the Committee shall determine the weighting for each Participant with respect to the business and financial performance goals and the individual goals,

as applicable, for the Fiscal Year. At such time, the Committee shall also determine the leverage tables, which shall set forth the percentage of the target bonus that may become payable based on the achievement of the performance goals, subject to the eligibility and other conditions of payment as set forth in the Plan. The leverage tables and weighting of the goals need not be uniform as to all Participants.

(d) Communication of Goals. The Committee shall provide for the communication of the performance goals and corresponding leverage tables to the Participants, which may be by email.

3.3 **Determination and Approval of Bonus Payments.**

(a) At the end of the Fiscal Year, the Committee shall determine the amount of each Participant's bonus, if any, based on the achievement of the business and financial performance goals and, if applicable, the achievement of the individual performance goals. The Committee shall have sole discretion to determine whether and to what extent the performance goals have been met. No bonus shall be deemed earned until the Committee makes such determinations and all qualifying conditions of the Plan have been satisfied. The Committee shall have sole discretion to determine whether a Participant has earned a bonus, and the amount of any such bonus earned.

(b) The Committee may adjust the performance results for extraordinary items or other events, as the Committee deems appropriate.

(c) If the threshold level of business and financial performance is not achieved, no bonuses will be paid, unless determined otherwise by the Committee in its discretion.

(d) The Committee shall have discretion to increase or decrease the amount of the annual bonus by up to 50% more or less than the amount otherwise determined, based on the Participant's contribution to the achievement of the performance goals, other contributions that have a significant impact on Company performance, or other factors. The Committee may determine that no increase or decrease will be made for a Fiscal Year.

3.4 **Newly Hired Employees, Promotions and Transfers.** Employees who are newly hired or who are promoted or transferred into a position eligible to participate in the Plan during the Fiscal Year may be eligible to receive a prorated bonus award calculated in whole months based on the relative time spent in the eligible position during the Fiscal Year, as determined by the Committee. If a Participant is transferred into a position that is not eligible to participate in the Plan during the Fiscal Year, the Participant may be eligible to receive a prorated award calculated in whole months based on the relative time spent in the eligible position during the Fiscal Year, as determined by the Committee. A Participant's annual bonus target percentage and the Participant's performance goals may be adjusted to reflect any change in position during a Fiscal Year.

3.5 Payment of Annual Bonus. Each annual bonus for a Fiscal Year shall be paid to the Participant in a single lump sum payment between September 30 and December 31 of the calendar year in which the Fiscal Year ends, except as provided below. Annual bonuses for a Fiscal Year shall be paid in cash; provided that the Committee may determine that part or all of a Participant's annual bonus shall be paid in the form of a Unit Award under the AmeriGas LTIP. Unless the Committee determines otherwise, to the extent that an officer of the Company who is subject to Section 16(b) of the Securities Exchange Act of 1934, as amended, shall not have satisfied any ownership requirement then applicable to such officer, as set forth in the UGI Corporation Stock Ownership Policy, up to 10% of the gross amount of the officer's annual bonus shall be paid in fully vested Unit Awards under the AmeriGas LTIP.

3.6 Withholding Tax. Each Employer shall withhold from each bonus payment an amount sufficient to satisfy all federal, state and local tax withholding requirements relating to the bonus. Unless the Committee determines otherwise, withholding taxes with respect to any portion of a bonus paid in the form of a Unit Award shall be deducted from the cash portion of such bonus.

IV. Termination of Employment.

4.1 The Plan is, in part, intended as a retention tool, and bonuses are not deemed earned until the Committee has determined whether and to what extent the performance goals have been met and all qualifying conditions and eligibility criteria of the Plan have been satisfied. Except as provided in Sections 4.2 and 4.3 below, a Participant must be employed by the Employer on the payment date in order to receive a bonus.

4.2 If a Participant's employment terminates on account of retirement, death or disability, (a) if such retirement, death or disability occurs after the close of a Fiscal Year but prior to payment of bonuses for such Fiscal Year, the Participant will be eligible to receive the bonus that the Participant otherwise would have been eligible to receive if the Participant had remained employed until the payment date and (b) the Committee may determine that the Participant is eligible to receive an annual bonus for the Fiscal Year in which the termination occurs, which bonus may be prorated based on the Participant's period of employment with the Company during such Fiscal Year.

4.3 If a Participant's employment terminates on account of involuntary termination by the Employer without cause, the Committee may determine in its sole discretion that (a) if such termination occurs after the close of a Fiscal Year but prior to payment of bonuses for such Fiscal Year, the Participant will be eligible to receive the bonus that the Participant otherwise would have been eligible to receive if the Participant had remained employed until the payment date and (b) the Participant is eligible to receive an annual bonus for the Fiscal Year in which the termination occurs, which bonus may be prorated based on the Participant's period of employment with the Company during such Fiscal Year.

4.4 In determining whether to pay any bonus under Section 4.2 and 4.3 above, the Committee may take into account factors such as Company performance, individual performance, and the portion of the year elapsed prior to termination. The annual bonus payable

under Section 4.2 or 4.3, if any, shall be paid within 60 days after the date of termination, death or disability, as applicable (and not later than the date on which bonuses for the applicable Fiscal Year are paid to other Participants), subject to any conditions that may be imposed by the Committee, including execution of a release of claims.

V. Administration.

5.1 The Committee administers the Plan. The Committee shall have full power and discretionary authority to interpret and administer the Plan, to make all determinations, including all participation and bonus determinations, and to prescribe, amend and rescind any rules, forms or procedures as the Committee deems necessary or appropriate for the proper administration of the Plan and to make any other determinations and take such other actions as the Committee deems necessary or advisable in carrying out its duties under the Plan.

5.2 Any action required of the Committee under the Plan shall be made in the Committee's sole discretion and not in a fiduciary capacity. All decisions and determinations by the Committee shall be final, conclusive and binding on the Company, the Participants, and any other persons having or claiming an interest hereunder. All bonuses shall be awarded conditional upon the Participant's acknowledgement, by continuing in employment with the Employer, that all decisions and determinations of the Committee shall be final and binding on the Participant, his or her beneficiaries and any other person having or claiming an interest in such bonus.

VI. General Provisions.

6.1 **Clawback.** Any annual bonus paid under the Plan shall be subject to any applicable clawback and other policies implemented by the Board, as in effect from time to time.

6.2 **Transferability.** No bonus under this Plan shall be transferred, assigned, pledged or encumbered by the Participant nor shall it be subject to any claim of any creditor, and, in particular, to the fullest extent permitted by law, all such payments, benefits and rights shall be free from attachment, garnishment, trustee's process, or any other legal or equitable process available to any creditor of such Participant. In the event of a Participant's death, any amounts payable under this Plan, as determined by the Committee, shall be paid to the Participant's estate.

6.3 **Unfunded Arrangement.** The Plan is an unfunded incentive compensation arrangement. Nothing contained in the Plan, and no action taken pursuant to the Plan, shall create or be construed to create a trust of any kind. Each Participant's right to receive a bonus shall be no greater than the right of an unsecured general creditor of the Employer. All bonuses shall be paid from the general funds of the Employer, and no special or separate fund shall be established and no segregation of assets shall be made to assure payment of bonuses.

6.4 **No Rights to Employment.** Nothing in the Plan, and no action taken pursuant hereto, shall confer upon a Participant the right to continue in the employ of the Employer, or affect the right of the Employer to terminate a Participant's employment at any time for cause or for no cause whatsoever.

6.5 **Section 409A.** The Plan is intended to comply with the short-term deferral rule set forth in the regulations under section 409A of the Code, in order to avoid application of section 409A to the Plan. If and to the extent that any payment under this Plan is deemed to be deferred compensation subject to the requirements of section 409A, this Plan shall be administered so that such payments are made in accordance with the requirements of section 409A. Any payment from the Plan that is subject to the requirements of section 409A may only be made in a manner and upon an event permitted by section 409A, including the requirement that deferred compensation payable to a “specified employee” of a publicly traded company be postponed for six months after separation from service or death, if earlier. Payments upon termination of employment may only be made upon a “separation from service” under section 409A. For purposes of section 409A, each payment shall be treated as a separate payment. In no event may a Participant, directly or indirectly, designate the calendar year of any payment to be made under the Plan, and if a payment that is subject to section 409A is conditioned on the execution of a release of claims, and such payment could be made in more than one taxable year, payment shall be made in the later taxable year.

6.6 **Termination and Amendment of the Plan.** The Compensation/Pension Committee of the Board may amend or terminate the Plan at any time. Notwithstanding the foregoing, the Administrative Committee may adopt any amendment to the Plan as it shall deem necessary or appropriate to (i) maintain compliance with current laws and regulations, (ii) correct errors and omissions in the Plan document, and (iii) facilitate the administration and operation of the Plan. The Administrative Committee shall notify the Compensation/Pension Committee of the Board of any such amendments to the Plan within a reasonable period of time following such amendment.

6.7 **Successors.** The Plan shall be binding upon and inure to the benefit of the Employer, its successors and assigns, and each Participant and his or her heirs, executors, administrators and legal representatives.

6.8 **Applicable Law.** The Plan shall be construed and governed in accordance with the laws of the Commonwealth of Pennsylvania.

FORM OF UGI CORPORATION
2013 OMNIBUS INCENTIVE COMPENSATION PLAN
NONQUALIFIED STOCK OPTION GRANT LETTER

This STOCK OPTION GRANT, dated _____ (the “Date of Grant”), is delivered by UGI Corporation (“UGI”) to you (the “Participant”).

RECITALS

The UGI Corporation 2013 Omnibus Incentive Compensation Plan (the “Plan”), provides for the grant of options to purchase shares of common stock of UGI. The Compensation and Management Development Committee of the Board of Directors of UGI (the “Committee”) has decided to make a stock option grant to the Participant. The Participant’s portal in the Morgan Stanley website for Plan participants (the “Grant Summary”) sets forth the number of shares subject to the Option granted to the Participant in this grant.

NOW, THEREFORE, the parties to this Grant Letter, intending to be legally bound hereby, agree as follows:

1. Grant of Option. Subject to the terms and conditions set forth in this Grant Letter and in the Plan, the Committee hereby grants to the Participant a nonqualified stock option (the “Option”) to purchase the number of shares of common stock of UGI (“Shares”) specified in the Grant Summary at an exercise price of \$_____ per Share. The Option shall become exercisable according to Section 2 below.
2. Exercisability of Option. The Option shall become exercisable on the following dates, if the Participant is employed by, or providing service to, the Company (as defined below) on the applicable date:

<u>Date</u>	<u>Shares for Which the Option is Exercisable</u>
January 1, _____	33⅓%
January 1, _____	33⅓%
January 1, _____	33⅓%

The exercisability of the Option is cumulative, but shall not exceed 100% of the Shares subject to the Option. If the foregoing schedule would produce fractional Shares, the number of Shares for which the Option becomes exercisable shall be rounded down to the nearest whole Share.

3. Term of Option.

(a) The Option shall have a term of ten years from the Date of Grant and shall terminate at the expiration of that period (5:00 p.m. EST on December 31, _____), unless it is terminated at an earlier date pursuant to the provisions of this Grant Letter or the Plan.

(b) If the Participant ceases to be employed by, or provide service to, the Company, the Option will terminate on the date the Participant ceases such employment or service. However, if the Participant ceases to be employed by, or provide service to, the Company by reason of one of the following events, the Option held by the Participant will thereafter be exercisable pursuant to the following terms:

(i) *Termination without Cause.* If the Participant terminates employment or service on account of a Termination without Cause, the Option will thereafter be exercisable only with respect to that number of Shares with respect to which the Option is already exercisable on the date the Participant's employment or service terminates, except as provided in subsection (v) below. Such portion of the Option will terminate upon the earlier of the expiration date of the Option or the expiration of the 13-month period commencing on the date the Participant ceases to be employed by, or provide service to, the Company.

(ii) *Retirement.* If the Participant ceases to be employed by, or provide service to, the Company on account of Retirement on or after the date that is six months following the Date of Grant, the Option will thereafter become exercisable as if the Participant had continued to be employed by, or provide service to, the Company after the date of such Retirement. In this case, the Option will terminate upon the expiration date of the Option. However, if the Participant ceases to be employed by, or provide service to, the Company on account of Retirement within six months following the Date of Grant, the Option will terminate on the date of such termination of employment or service.

(iii) *Disability.* If the Participant ceases to be employed by, or provide service to, the Company on account of Disability, the Option will thereafter become exercisable as if the Participant had continued to provide service to the Company for 36 months after the date of such termination of employment or service. The Option will terminate upon the earlier of the expiration date of the Option or the expiration of such 36-month period.

(iv) *Death.* In the event of the death of the Participant while employed by, or providing service to, the Company, the Option will be fully and immediately exercisable and may be exercised at any time prior to the earlier of the expiration date of the Option or the expiration of the 12-month period following the Participant's death. Death of the Participant after the Participant has ceased to be employed by, or provide service to, the Company will not affect the otherwise applicable period for exercise of the Option determined pursuant to subsections (i), (ii), (iii) or (v). After the Participant's death, the Participant's Option may be exercised by the Participant's estate.

(v) *Termination without Cause or Good Reason Termination upon or within two years after a Change of Control.* Notwithstanding the foregoing, if the Participant's employment or service terminates on account of a Termination without Cause or a Good Reason Termination upon or within two years after a Change of Control, the Option will be fully and immediately exercisable. The Option will terminate upon the earlier of the expiration date of the Option or the expiration of the 13-month period commencing on the date the Participant ceases to be employed by, or provide service to, the Company; provided that if the Participant is eligible for Retirement at the date of such termination of employment, the Option will terminate on the expiration date of the Option.

4. Exercise Procedures.

(a) Subject to the provisions of Sections 2 and 3 above, the Participant may exercise part or all of the exercisable Option through the Morgan Stanley website for Plan participants. Payment of the exercise price and any applicable withholding taxes must be made prior to issuance of the Shares. The Participant shall pay the exercise price (i) in cash, (ii) by "net exercise," which is the surrender of shares for which the Option is exercisable to the Company in exchange for a distribution of Shares equal to the amount by which the then fair market value of the Shares subject to the exercised Option exceeds the applicable Option Price, (iii) by payment through a broker in accordance with procedures acceptable to the Committee and permitted by Regulation T of the Federal Reserve Board or (iv) by such other method as the Committee may approve. The Committee may impose such limitations as it deems appropriate on the use of Shares to exercise the Option.

(b) The obligation of UGI to deliver Shares upon exercise of the Option shall be subject to all applicable laws, rules, and regulations and such approvals by governmental agencies as may be deemed appropriate by the Committee, including such actions as UGI's counsel shall deem necessary or appropriate to comply with relevant securities laws and regulations. UGI may require that the Participant (or other person exercising the Option after the Participant's death) represent that the Participant is purchasing Shares for the Participant's own account and not with a view to or for sale in connection with any distribution of the Shares, or such other representation as UGI deems appropriate.

(c) All obligations of UGI under this Grant Letter shall be subject to the rights of the Company as set forth in the Plan to withhold amounts required to be withheld for any taxes, if applicable.

5. Restrictive Covenants.

(a) The Participant acknowledges and agrees that, in consideration for the grant of the Option the Participant agrees to comply with all written restrictive covenants and agreements with the Company, including non-competition, non-solicitation and confidentiality covenants (collectively, the "Restrictive Covenants").

(b) The Participant acknowledges and agrees that in the event the Participant breaches any of the Restrictive Covenants:

(i) The Committee may in its discretion determine that the Participant shall forfeit the outstanding Option (without regard to whether any portion of the Option has vested), and the outstanding Option shall immediately terminate; and

(ii) If the Participant breaches any of the Restrictive Covenants within 12 months following receipt of any shares of Common Stock upon exercise of the Option, the Committee may in its discretion require the Participant to return to the Company any such shares of Common Stock, net of the exercise price paid by the Participant; provided, that if the Participant has disposed of any such shares of Common Stock received upon exercise of the Option, then the Committee may require the Participant to pay to the Company, in cash, the fair market value of such shares of Common Stock as of the date of disposition, net of the exercise price paid by the Participant upon exercise of the Option.

6. Definitions. Whenever used in this Grant Letter, the following terms shall have the meanings set forth below:

(a) “*Change of Control*” shall mean a Change of Control of UGI as defined in the Plan. In addition, “Change of Control” shall include (i) any of the events with respect to UGI Utilities, Inc. (“Utilities”) defined as a “Change of Control” on Exhibit A hereto to the extent that the Participant is employed by Utilities or a subsidiary of Utilities as of the date of the occurrence of such event, and (ii) any of the events with respect to AmeriGas Propane, Inc. (“AmeriGas”) defined as a “Change of Control” on Exhibit B hereto to the extent that the Participant is employed by AmeriGas as of the date of the occurrence of such event.

(b) “*Company*” means UGI and its Subsidiaries (as defined in the Plan).

(c) “*Disability*” means a long-term disability as defined in the Company’s long-term disability plan applicable to the Participant.

(d) “*Employed by, or provide service to, the Company*” shall mean employment or service as an employee or director of the Company.

(e) “*Good Reason Termination*” shall mean a termination of employment or service initiated by the Participant upon or within two years after a Change of Control upon one or more of the following occurrences:

(i) a material diminution in the authority, duties or responsibilities held by the Participant immediately prior to the Change of Control;

(ii) a material diminution in the Participant’s base salary as in effect immediately prior to the Change of Control; or

(iii) a material change in the geographic location at which the Participant must perform services (which, for purposes of this Grant Letter, means the Participant is required to report, other than on a temporary basis (less than 12 months), to a location which is more than 50 miles from the Participant’s principal place of business

immediately preceding the Change of Control, without the Participant's express written consent).

Notwithstanding the foregoing, the Participant shall be considered to have a Good Reason Termination only if the Participant provides written notice to the Company, pursuant to Section 14, specifying in reasonable detail the events or conditions upon which the Participant is basing such Good Reason Termination and the Participant provides such notice within 90 days after the event that gives rise to the Good Reason Termination. Within 30 days after notice has been provided, the Company shall have the opportunity, but shall have no obligation, to cure such events or conditions that give rise to the Good Reason Termination. If the Company does not cure such events or conditions within the 30-day period, the Participant may terminate employment or service with the Company based on Good Reason Termination within 30 days after the expiration of the cure period.

Notwithstanding the foregoing, if the Participant has in effect a Change in Control Agreement with the Company or an Affiliate, the term "Good Reason Termination" shall have the meaning given that term in the Change in Control Agreement.

(f) "*Retirement*" means the Participant's retirement under the Retirement Income Plan for Employees of UGI Utilities, Inc., if the Participant is covered by that Retirement Income Plan. "Retirement" for other Company employees means termination of employment or service after attaining (i) age 55 with ten or more years of service with the Company or (ii) age 65 with five or more years of service with the Company.

(g) "*Termination without Cause*" means termination of employment or service by the Company for the convenience of the Company for any reason other than (i) theft or misappropriation of funds or conduct that has an adverse effect on the reputation of the Company, (ii) conviction of a felony or a crime involving moral turpitude, (iii) material breach of the Company's written code of conduct, or other material written employment policies, applicable to the Participant, (iv) breach of any written confidentiality, non-competition or non-solicitation covenant between the Participant and the Company, (v) gross misconduct in the performance of duties, or (vi) intentional refusal or failure to perform the material duties of the Participant's position.

7. Change of Control. If a Change of Control occurs, the Committee may take such actions with respect to the Option as it deems appropriate pursuant to the Plan. The Option shall not automatically become exercisable upon a Change of Control but, instead, shall become exercisable as described in Sections 2 and 3 above.

8. Restrictions on Exercise. Except as the Committee may otherwise permit pursuant to the Plan, only the Participant may exercise the Option during the Participant's lifetime and, after the Participant's death, the Option shall be exercisable by the Participant's estate, to the extent that the Option is exercisable pursuant to this Grant Letter.

9. Grant Subject to Plan Provisions and Company Policies.

(a) This grant is made pursuant to the Plan, which is incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and exercise of the Option are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (i) the registration, qualification or listing of the Shares, (ii) changes in capitalization of the Company and (iii) other requirements of applicable law. The Committee shall have the authority to interpret and construe the Option pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

(b) All Shares issued pursuant to this Option grant shall be subject to the UGI Corporation Stock Ownership Policy. This Option grant and all Shares issued pursuant to this Option grant shall be subject to any applicable clawback and other policies implemented by the Board of Directors of UGI, as in effect from time to time.

10. No Employment or Other Rights. The grant of the Option shall not confer upon the Participant any right to be retained by or in the employ or service of the Company and shall not interfere in any way with the right of the Company to terminate the Participant's employment or service at any time. The right of the Company to terminate at will the Participant's employment or service at any time for any reason is specifically reserved.

11. No Shareholder Rights. Neither the Participant, nor any person entitled to exercise the Participant's rights in the event of the Participant's death, shall have any of the rights and privileges of a shareholder with respect to the Shares subject to the Option, until certificates for Shares have been issued upon the exercise of the Option.

12. Assignment and Transfers. The rights and interests of the Participant under this Grant Letter may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates.

13. Applicable Law. The validity, construction, interpretation and effect of this instrument shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of laws provisions thereof.

14. Notice. Any notice to UGI provided for in this instrument shall be addressed to UGI in care of the Corporate Secretary at UGI's headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the payroll of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

15. Acceptance. By accepting this grant through the Morgan Stanley on-line system, the Participant (i) acknowledges receipt of the Plan incorporated herein, (ii) acknowledges that he or

she has read the Grant Summary and Grant Letter and understands the terms and conditions of them, (iii) accepts the Option described in the Grant Letter, (iv) agrees to be bound by the terms of the Plan, including the Grant Letter, and (v) agrees that all the decisions and determinations of the Board or the Committee shall be final and binding on the Participant and any other person having or claiming a right under this Grant.

* * *

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EXHIBIT A

Change of Control with Respect to Utilities

For purposes of this Grant Letter, each of the following events shall constitute a “Change of Control” for Participants who are employees of UGI Utilities, Inc. (“Utilities”) or a subsidiary of Utilities as of the date of the occurrence of such event. Unless otherwise defined herein, capitalized terms are used as defined in the Plan (including, without limitation, Exhibit A thereto).

“Change of Control” shall include any of the following events:

(A) UGI and the UGI Subsidiaries fail to own more than fifty percent (50%) of the then outstanding shares of common stock of Utilities or more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of Utilities entitled to vote generally in the election of directors; or

(B) Completion by Utilities of a reorganization, merger or consolidation (a “Business Combination”), in each case, with respect to which all or substantially all of the individuals and entities who were the respective Beneficial Owners of Utilities’ outstanding common stock and voting securities immediately prior to such Business Combination do not, following such Business Combination, Beneficially Own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination in substantially the same proportion as their ownership immediately prior to such Business Combination of Utilities’ outstanding common stock and voting securities, as the case may be; or

(C) Completion of a complete liquidation or dissolution of the Utilities or sale or other disposition of all or substantially all of the assets of Utilities other than to a corporation with respect to which, following such sale or disposition, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of Utilities’ outstanding common stock and voting securities immediately prior to such sale or disposition in substantially the same proportion as their ownership of Utilities’ outstanding common stock and voting securities, as the case may be, immediately prior to such sale or disposition.

EXHIBIT B

Change of Control with Respect to AmeriGas

For purposes of this Grant Letter, each of the following events shall constitute a “Change of Control” for Participants who are employees of AmeriGas Propane, Inc. (“AmeriGas”) as of the date of the occurrence of such event. Unless otherwise defined herein, capitalized terms are used as defined in the Plan (including, without limitation, Exhibit A thereto).

“Change of Control” shall include any of the following events:

(A) Completion by AmeriGas, the “Public Partnership” or the “Operating Partnership” (as defined in the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on behalf of AmeriGas Partners, L.P., including, without limitation, Exhibit A thereto) of a reorganization, merger or consolidation (a “Propane Business Combination”), in each case, with respect to which all or substantially all of the individuals and entities who were the respective Beneficial Owners of the AmeriGas voting securities or of the outstanding units of AmeriGas Partners, L.P. (“Outstanding Units”) immediately prior to such Propane Business Combination do not, following such Propane Business Combination, Beneficially Own, directly or indirectly, (a) if the entity resulting from such Propane Business Combination is a corporation, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of such corporation in substantially the same proportion as their ownership immediately prior to such Combination of the AmeriGas’ voting securities or the Outstanding Units, as the case may be, or, (b) if the entity resulting from such Propane Business Combination is a partnership, more than fifty percent (50%) of the then outstanding common units of such partnership in substantially the same proportion as their ownership immediately prior to such Propane Business Combination of AmeriGas’ voting securities or the Outstanding Units, as the case may be; or

(B) (a) Completion of a complete liquidation or dissolution of AmeriGas, the Public Partnership or the Operating Partnership or (b) sale or other disposition of all or substantially all of the assets of AmeriGas, the Public Partnership or the Operating Partnership other than to an entity with respect to which, following such sale or disposition, (I) if such entity is a corporation, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of AmeriGas’ voting securities or of the Outstanding Units, as the case may be, immediately prior to such sale or disposition in substantially the same proportion as their ownership of AmeriGas’ voting securities or of the Outstanding Units, as the case may be, immediately prior to such sale or disposition, or, (II) if such entity is a partnership, more than fifty percent (50%) of the then outstanding common units is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of

AmeriGas' voting securities or of the Outstanding Units, as the case may be, immediately prior to such sale or disposition in substantially the same proportion as their ownership of AmeriGas' voting securities or of the Outstanding Units immediately prior to such sale or disposition; or

(C) UGI and the UGI Subsidiaries fail to own more than fifty percent (50%) of the then outstanding general partnership interests of the Public Partnership or the Operating Partnership; or

(D) UGI and the UGI Subsidiaries fail to own more than fifty percent (50%) of the then outstanding shares of common stock of AmeriGas or more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of AmeriGas entitled to vote generally in the election of directors; or

(E) AmeriGas is removed as the general partner of the Public Partnership by vote of the limited partners of the Public Partnership, or is removed as the general partner of the Public Partnership or the Operating Partnership as a result of judicial or administrative proceedings involving AmeriGas, the Public Partnership or the Operating Partnership.

FORM OF UGI CORPORATION
2013 OMNIBUS INCENTIVE COMPENSATION PLAN
PERFORMANCE UNIT GRANT LETTER

This PERFORMANCE UNIT GRANT, dated _____ (the “Date of Grant”), is delivered by UGI Corporation (“UGI”) to you (the “Participant”).

RECITALS

The UGI Corporation 2013 Omnibus Incentive Compensation Plan (the “Plan”) provides for the grant of performance units (“Performance Units”) with respect to shares of common stock of UGI (“Shares”). The Compensation and Management Development Committee of the Board of Directors of UGI (the “Committee”) has decided to grant Performance Units to the Participant. The Participant’s portal in the Morgan Stanley website for Plan participants (the “Grant Summary”) sets forth the number of Performance Units granted to the Participant with respect to this grant.

NOW, THEREFORE, the parties to this Grant Letter, intending to be legally bound hereby, agree as follows:

1. Grant of Performance Units. Subject to the terms and conditions set forth in this Grant Letter and in the Plan, the Committee hereby grants to the Participant a target award of the number of Performance Units specified in the Grant Summary (the “Target Award”). The Performance Units are contingently awarded and will be earned and payable if and to the extent that the Performance Goals (defined below) and other conditions of the Grant Letter are met. The Performance Units are granted with Dividend Equivalents (as defined in Section 8).

2. Performance Goals.

(a) The Participant shall earn the right to payment of the Performance Units if the Performance Goals are met for the Performance Period, and if the Participant continues to be employed by, or provide service to, the Company (as defined in Section 8) through December 31, _____. The Performance Period is the period beginning January 1, _____ and ending December 31, _____. The Total Shareholder Return (“TSR”) goals and other requirements of this Section 2 are referred to as the “Performance Goals.”

(b) The Target Award level of Performance Units and Dividend Equivalents will be payable if UGI’s TSR equals the median TSR of the comparison group designated by the Committee (the “Peer Group”) for the Performance Period. The Peer Group is the group of companies that comprises the Russell Midcap Utilities Index, excluding telecommunications companies and UGI, as of the beginning of the Performance Period, as set forth on the attached Exhibit A, and as described herein. If a company is added to the Russell Midcap Utilities Index

during the Performance Period, that company is not included in the TSR calculation. A company that is included in the Russell Midcap Utilities Index at the beginning of the Performance Period will be removed from the TSR calculation only if the company ceases to exist as a publicly traded company during the Performance Period (including by way of a merger or similar transaction in which the company is not the surviving company), consistent with the methodology described in subsection (c) below. Companies that are designated at the beginning of the Performance Period as telecommunications companies in the Russell Midcap Utilities Index shall be excluded from the TSR calculation. The actual amount of the award of Performance Units may be higher or lower than the Target Award, or it may be zero, based on UGI's TSR percentile rank relative to the companies in the Peer Group, as follows:

<u>UGI's TSR Rank</u>	<u>Percentage of Target Award Earned (Percentile)</u>
90th	200%
75th	162.50%
60th	125%
50th	100%
40th	70%
25th	25%
Less than 25th	0%

The award percentage earned will be interpolated between each of the measuring points.

(c) TSR shall be calculated by UGI using the comparative returns methodology used by Bloomberg L.P. or its successor at the time of the calculation. The share price used for determining TSR at the beginning and the end of the Performance Period will be the average price for the calendar quarter preceding the beginning of the Performance Period (i.e., the calendar quarter ending on December 31, _____) and the calendar quarter ending on the last day of the Performance Period (i.e., the calendar quarter ending on December 31, _____), respectively. The TSR calculation gives effect to all dividends throughout the three-year Performance Period as if they had been reinvested.

(d) The Target Award is the amount designated for 100% (50th TSR rank) performance. The Participant can earn up to 200% of the Target Award if UGI's TSR percentile rank exceeds the 50th TSR percentile rank, according to the foregoing schedule.

(e) At the end of the Performance Period, the Committee will determine whether and to what extent the Performance Goals have been met and the amount to be paid with respect to the Performance Units. Except as described in Sections 3 and 6 below, the Participant must be employed by, or providing service to, the Company on December 31, _____ in order for the Participant to receive payment with respect to the Performance Units.

3. Termination of Employment or Service.

(a) Except as described below, if the Participant ceases to be employed by, or provide services to, the Company before December 31, _____, the Performance Units and all Dividend Equivalents credited under this Grant Letter will be forfeited.

(b) If the Participant terminates employment or service on account of Retirement (as defined in Section 8), Disability (as defined in Section 8) or death, the Participant will earn a pro-rata portion of the Participant's outstanding Performance Units and Dividend Equivalents, if the Performance Goals and the requirements of this Grant Letter are met. The prorated portion will be determined as the amount that would otherwise be paid after the end of the Performance Period, based on achievement of the Performance Goals, multiplied by a fraction, the numerator of which is the number of calendar years during the Performance Period in which the Participant has been employed by, or provided service to, the Company and the denominator of which is three. For purposes of the proration calculation, the calendar year in which the Participant's termination of employment or service on account of Retirement, Disability, or death occurs will be counted as a full year.

(c) In the event of termination of employment or service on account of Retirement, Disability or death, the prorated amount shall be paid after the end of the Performance Period, pursuant to Section 4 below, except as provided in Section 6.

4. Payment with Respect to Performance Units. If the Committee determines that the conditions to payment of the Performance Units have been met, the Company shall pay to the Participant (i) Shares equal to the number of Performance Units to be paid according to achievement of the Performance Goals, up to the Target Award, provided that the Company may withhold Shares to cover required tax withholding in an amount equal to the minimum statutory tax withholding requirement in respect of the Performance Units earned up to the Target Award, and (ii) cash in an amount equal to the Fair Market Value (as defined in the Plan) of the number of Shares equal to the Performance Units to be paid in excess of the Target Award, subject to applicable tax withholding. Payment shall be made between January 1, _____ and March 15, _____, except as provided in Section 6 below.

5. Dividend Equivalents with Respect to Performance Units.

(a) Dividend Equivalents shall accrue with respect to Performance Units and shall be payable subject to the same Performance Goals and terms as the Performance Units to which they relate. Dividend Equivalents shall be credited with respect to the Target Award of Performance Units from the Date of Grant until the payment date. If and to the extent that the underlying Performance Units are forfeited, all related Dividend Equivalents shall also be forfeited.

(b) While the Performance Units are outstanding, the Company will keep records of Dividend Equivalents in a bookkeeping account for the Participant. On each payment date for a dividend paid by UGI on its common stock, the Company shall credit to the Participant's account an amount equal to the Dividend Equivalents associated with the Target Award of Performance Units held by the Participant on the record date for the dividend. No interest will be credited to any such account.

(c) The target amount of Dividend Equivalents (100% of the Dividend Equivalents credited to the Participant's account) will be earned if UGI's TSR rank is at the 50th TSR percentile rank for the Performance Period. The Participant can earn up to 200% of the target amount of Dividend Equivalents if UGI's TSR percentile rank exceeds the 50th TSR rank, according to the schedule in Section 2 above. Except as described in Section 3(b) above, or Section 6, if the Participant's employment or service with the Company terminates before December 31, _____, all Dividend Equivalents will be forfeited.

(d) Dividend Equivalents will be paid in cash at the same time as the underlying Performance Units are paid, after the Committee determines that the conditions to payment have been met. Notwithstanding anything in this Grant Letter to the contrary, the Participant may not accrue Dividend Equivalents in excess of \$1,000,000 during any calendar year under all grants under the Plan.

6. Change of Control.

(a) If a Change of Control occurs, the Performance Units and Dividend Equivalents shall not automatically become payable upon the Change of Control, but, instead, shall become payable as described in this Section 6. The Committee may take such other actions with respect to the Performance Units and Dividend Equivalents as it deems appropriate pursuant to the Plan. The term "Change of Control" shall mean a Change of Control of UGI as defined in the Plan. In addition, "Change of Control" shall include (i) any of the events with respect to UGI Utilities, Inc. ("Utilities") defined as a "Change of Control" on Exhibit B hereto to the extent that the Participant is employed by Utilities or a subsidiary of Utilities as of the date of the occurrence of such event, and (ii) any of the events with respect to AmeriGas Propane, Inc. ("AmeriGas") defined as a "Change of Control" on Exhibit C hereto to the extent that the Participant is employed by AmeriGas as of the date of the occurrence of such event.

(b) If a Change of Control occurs during the Performance Period, the Committee shall calculate a Change of Control Amount as follows:

(i) The Performance Period shall end as of the closing date of the Change of Control (the "Change of Control Date") and the TSR ending date calculation for the Performance Period shall be based on the 90 calendar day period ending on the Change of Control Date.

(ii) The Committee shall calculate a "Change of Control Amount" equal to the greater of (i) the Target Award amount or (ii) the amount of Performance Units that would be payable based on the Company's achievement of the Performance Goals as of the Change of Control Date, as determined by the Committee. The Change of Control Amount shall include related Dividend Equivalents and, if applicable, interest as described below.

(iii) The Committee shall determine whether the Change of Control Amount attributable to Performance Units shall be (A) converted to units with respect to shares or other equity interests of the acquiring company or its parent ("Successor Units"), in

which case Dividend Equivalents shall continue to be credited on the Successor Units, or (B) valued based on the Fair Market Value of the Performance Units as of the Change of Control Date and credited to a bookkeeping account for the Participant, in which case interest shall be credited on the amount so determined at a market rate for the period between the Change of Control Date and the applicable payment date. Notwithstanding the provisions of Section 4, all payments on and after a Change of Control shall be made in cash. If alternative (A) above is used, the cash payment shall equal the Fair Market Value on the date of payment of the number of shares or other equity interests underlying the Successor Units, plus accrued Dividend Equivalents. All payments shall be subject to applicable tax withholding.

(c) If a Change of Control occurs during the Performance Period and the Participant continues in employment or service through December 31, _____, the Change of Control Amount shall be paid in cash between January 1, _____ and March 15, _____.

(d) If a Change of Control occurs during the Performance Period, and the Participant has a Termination without Cause or a Good Reason Termination upon or within two years after the Change of Control Date and before December 31, _____, the Change of Control Amount shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 14 below.

(e) If a Change of Control occurs during the Performance Period, and the Participant terminates employment or service on account of Retirement, Disability or death upon or after the Change of Control Date and before December 31, _____, the Change of Control Amount shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 14 below; provided that, if required by section 409A, if the Participant's Retirement, Disability or death occurs more than two years after the Change of Control Date, payment will be made between January 1, _____ and March 15, _____, and not upon the earlier separation from service.

(f) If a Participant's employment or service terminates on account of Retirement, death or Disability before a Change of Control, and a Change of Control subsequently occurs before the end of the Performance Period, the prorated amount in Section 3(b) shall be calculated by multiplying the fraction described in Section 3(b) by the Change of Control Amount. The prorated Change of Control Amount shall be paid in cash within 30 days after the Change of Control Date, subject to Section 14 below.

7. Restrictive Covenants.

(a) The Participant acknowledges and agrees that, in consideration for the grant of Performance Units, the Participant agrees to comply with all written restrictive covenants and agreements with the Company, including non-competition, non-solicitation and confidentiality covenants (collectively, the "Restrictive Covenants").

(b) The Participant acknowledges and agrees that in the event the Participant breaches any of the Restrictive Covenants:

(i) The Committee may in its discretion determine that the Participant shall forfeit the outstanding Performance Units (without regard to whether the Performance Units have vested), and the outstanding Performance Units shall immediately terminate; and

(ii) If the Participant breaches any of the Restrictive Covenants within 12 months following receipt of any shares of Common Stock upon settlement of the Performance Units, the Committee may in its discretion require the Participant to return to the Company any such shares of Common Stock; provided, that if the Participant has disposed of any such shares of Common Stock received upon settlement of the Performance Units, then the Committee may require the Participant to pay to the Company, in cash, the fair market value of such shares of Common Stock as of the date of disposition.

8. **Definitions.** For purposes of this Grant Letter, the following terms will have the meanings set forth below:

(a) “*Company*” means UGI and its Subsidiaries (as defined in the Plan).

(b) “*Disability*” means a long-term disability as defined in the Company’s long-term disability plan applicable to the Participant.

(c) “*Dividend Equivalent*” means an amount determined by multiplying the number of shares of UGI common stock subject to the target award of Performance Units by the per-share cash dividend, or the per-share fair market value of any dividend in consideration other than cash, paid by UGI on its common stock.

(d) “*Employed by, or provide service to, the Company*” shall mean employment or service as an employee or director of the Company. The Participant shall not be considered to have a termination of employment or service under this Grant Letter until the Participant is no longer employed by, or performing services for, the Company.

(e) “*Good Reason Termination*” shall mean a termination of employment or service initiated by the Participant upon or after a Change of Control upon one or more of the following events:

(i) a material diminution in the authority, duties or responsibilities held by the Participant immediately prior to the Change of Control;

(ii) a material diminution in the Participant’s base salary as in effect immediately prior to the Change of Control; or

(iii) a material change in the geographic location at which the Participant must perform services (which, for purposes of this Agreement, means the Participant is required to report, other than on a temporary basis (less than 12 months), to a location which is more than 50 miles from the Participant’s principal place of business immediately before the Change of Control, without the Participant’s express written consent).

Notwithstanding the foregoing, the Participant shall be considered to have a Good Reason Termination only if the Participant provides written notice to the Company, pursuant to Section 16, specifying in reasonable detail the events or conditions upon which the Participant is basing such Good Reason Termination and the Participant provides such notice within 90 days after the event that gives rise to the Good Reason Termination. Within 30 days after notice has been provided, the Company shall have the opportunity, but shall have no obligation, to cure such events or conditions that give rise to the Good Reason Termination. If the Company does not cure such events or conditions within the 30-day period, the Participant may terminate employment or service with the Company based on Good Reason Termination within 30 days after the expiration of the cure period.

Notwithstanding the foregoing, if the Participant has in effect a Change in Control Agreement with the Company or an Affiliate, the term “Good Reason Termination” shall have the meaning given that term in the Change in Control Agreement.

(f) “*Performance Unit*” means a hypothetical unit that represents the value of one share of UGI common stock.

(g) “*Retirement*” means the Participant’s retirement under the Retirement Income Plan for Employees of UGI Utilities, Inc., if the Participant is covered by that Retirement Income Plan. “Retirement” for other Company employees means termination of employment or service after attaining (i) age 55 with ten or more years of service with the Company or (ii) age 65 with five or more years of service with the Company.

(h) “*Termination without Cause*” means termination of employment or service by the Company for the convenience of the Company for any reason other than (i) theft or misappropriation of funds or conduct that has an adverse effect on the reputation of the Company, (ii) conviction of a felony or a crime involving moral turpitude, (iii) material breach of the Company’s written code of conduct, or other material written employment policies, applicable to the Participant, (iv) breach of any written confidentiality, non-competition or non-solicitation covenant between the Participant and the Company, (v) gross misconduct in the performance of duties, or (vi) intentional refusal or failure to perform the material duties of the Participant’s position.

9. Withholding. All payments under this Grant Letter are subject to applicable tax withholding. The Participant shall be required to pay to the Company, or make other arrangements satisfactory to the Company to provide for the payment of, any federal (including FICA), state, local or other taxes that the Company is required to withhold with respect to the payments under this Grant Letter. The Company may withhold from cash distributions to cover required tax withholding, or may withhold Shares to cover required tax withholding in an amount equal to the minimum applicable tax withholding amount.

10. Grant Subject to Plan Provisions and Company Policies.

(a) This grant is made pursuant to the Plan, which is incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and

payment of Performance Units and Dividend Equivalents are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (i) the registration, qualification or listing of the Shares, (ii) adjustments pursuant to Section 5(d) of the Plan, and (iii) other requirements of applicable law. The Committee shall have the authority to interpret and construe the grant pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

(b) This Performance Unit grant and Shares issued pursuant to this Performance Unit grant shall be subject to the UGI Corporation Stock Ownership Policy as adopted by the Board of Directors of UGI and any applicable clawback and other policies implemented by the Board of Directors of UGI, as in effect from time to time.

11. No Employment or Other Rights. The grant of Performance Units shall not confer upon the Participant any right to be retained by or in the employ or service of the Company and shall not interfere in any way with the right of the Company to terminate the Participant's employment or service at any time. The right of the Company to terminate at will the Participant's employment or service at any time for any reason is specifically reserved.

12. No Shareholder Rights. Neither the Participant, nor any person entitled to receive payment in the event of the Participant's death, shall have any of the rights and privileges of a shareholder with respect to the Shares related to the Performance Units, unless and until certificates for Shares have been distributed to the Participant or successor.

13. Assignment and Transfers. The rights and interests of the Participant under this Grant Letter may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. If the Participant dies, any payments to be made under this Grant Letter after the Participant's death shall be paid to the Participant's estate. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates.

14. Compliance with Code Section 409A. Notwithstanding the other provisions hereof, this Grant Letter is intended to comply with the requirements of section 409A of the Internal Revenue Code of 1986, as amended, or an exception, and shall be administered accordingly. Any reference to a Participant's termination of employment shall mean a Participant's "separation from service," as such term is defined under section 409A. For purposes of section 409A, each payment of compensation under this Grant Letter shall be treated as a separate payment. Notwithstanding anything in this Grant Letter to the contrary, if the Participant is a "key employee" under section 409A and if payment of any amount under this Grant Letter is required to be delayed for a period of six months after separation from service pursuant to section 409A, payment of such amount shall be delayed as required by section 409A and shall be paid within 10 days after the end of the six-month period. If the Participant dies during such six-month period, the amounts withheld on account of section 409A shall be paid to the personal representative of the Participant's estate within 60 days after the date of the Participant's death. Notwithstanding anything in this Grant Letter to the contrary, if a Change of Control is not a "change in control event" under section 409A, any Performance Units and Dividend Equivalents

that are payable pursuant to Section 6 shall be paid to the Participant between January 1, _____ and March 15, _____, and not upon the earlier separation from service, if required by section 409A.

15. Applicable Law. The validity, construction, interpretation and effect of this Grant Letter shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of laws provisions thereof.

16. Notice. Any notice to UGI provided for in this Grant Letter shall be addressed to UGI in care of the Corporate Secretary at UGI's headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the payroll of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

17. Acceptance. By accepting this grant through the Morgan Stanley on-line system, the Participant (i) acknowledges receipt of the Plan incorporated herein, (ii) acknowledges that he or she has read the Grant Summary and Grant Letter and understands the terms and conditions of them, (iii) accepts the Performance Units described in the Grant Letter, (iv) agrees to be bound by the terms of the Plan, including the Grant Letter, and (v) agrees that all the decisions and determinations of the Board or the Committee shall be final and binding on the Participant and any other person having or claiming a right under this Grant.

* * *

EXHIBIT A

UGI CORPORATION
PERFORMANCE UNIT PEER GROUP

RUSSELL MIDCAP UTILITIES
(EXCLUDING TELECOMS)

as of 1/1/ _____

Alliant Energy Corporation (LNT)	Hawaiian Electric Industries, Inc. (HE)
Ameren Corporation (AEE)	MDU Resources Group, Inc. (MDU)
American Water Works Company, Inc. (AWK)	National Fuel Gas Company (NFG)
Aqua America, Inc. (WTR)	NiSource Inc (NI)
Atmos Energy Corporation (ATO)	NRG Energy, Inc. (NRG)
Avangrid, Inc. (AGR)	OGE Energy Corp. (OGE)
CenterPoint Energy, Inc. (CNP)	PG&E Corporation (PCG)
CMS Energy Corporation (CMS)	Pinnacle West Capital Corporation (PNW)
Consolidated Edison, Inc. (ED)	PPL Corporation (PPL)
DTE Energy Company (DTE)	Public Service Enterprise Group Incorporated (PEG)
Edison International (EIX)	Sempra Energy (SRE)
Entergy Corporation (ETR)	The AES Corporation (AES)
Evergy Inc. (EVRG)	Vectren Corp (VVC)
Eversource Energy (ES)	Vistra Energy Corporation (VST)
FirstEnergy Corp. (FE)	WEC Energy Group, Inc. (WEC)
	Xcel Energy Inc. (XEL)

EXHIBIT B

Change of Control with Respect to Utilities

For purposes of this Grant Letter, each of the following events shall constitute a “Change of Control” for Participants who are employees of UGI Utilities, Inc. (“Utilities”) or a subsidiary of Utilities as of the date of the occurrence of such event. Unless otherwise defined herein, capitalized terms are used as defined in the Plan (including, without limitation, Exhibit A thereto).

“Change of Control” shall include any of the following events:

(A) UGI and the UGI Subsidiaries fail to own more than fifty percent (50%) of the then outstanding shares of common stock of Utilities or more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of Utilities entitled to vote generally in the election of directors; or

(B) Completion by Utilities of a reorganization, merger or consolidation (a “Business Combination”), in each case, with respect to which all or substantially all of the individuals and entities who were the respective Beneficial Owners of Utilities’ outstanding common stock and voting securities immediately prior to such Business Combination do not, following such Business Combination, Beneficially Own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination in substantially the same proportion as their ownership immediately prior to such Business Combination of Utilities’ outstanding common stock and voting securities, as the case may be; or

(C) Completion of a complete liquidation or dissolution of the Utilities or sale or other disposition of all or substantially all of the assets of Utilities other than to a corporation with respect to which, following such sale or disposition, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of Utilities’ outstanding common stock and voting securities immediately prior to such sale or disposition in substantially the same proportion as their ownership of Utilities’ outstanding common stock and voting securities, as the case may be, immediately prior to such sale or disposition.

EXHIBIT C

Change of Control with Respect to AmeriGas

For purposes of this Grant Letter, each of the following events shall constitute a “Change of Control” for Participants who are employees of AmeriGas Propane, Inc. (“AmeriGas”) as of the date of the occurrence of such event. Unless otherwise defined herein, capitalized terms are used as defined in the Plan (including, without limitation, Exhibit A thereto).

“Change of Control” shall include any of the following events:

(A) Completion by AmeriGas, the “Public Partnership” or the “Operating Partnership” (as defined in the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on behalf of AmeriGas Partners, L.P., including, without limitation, Exhibit A thereto) of a reorganization, merger or consolidation (a “Propane Business Combination”), in each case, with respect to which all or substantially all of the individuals and entities who were the respective Beneficial Owners of the AmeriGas voting securities or of the outstanding units of AmeriGas Partners, L.P. (“Outstanding Units”) immediately prior to such Propane Business Combination do not, following such Propane Business Combination, Beneficially Own, directly or indirectly, (a) if the entity resulting from such Propane Business Combination is a corporation, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of such corporation in substantially the same proportion as their ownership immediately prior to such Combination of the AmeriGas’ voting securities or the Outstanding Units, as the case may be, or, (b) if the entity resulting from such Propane Business Combination is a partnership, more than fifty percent (50%) of the then outstanding common units of such partnership in substantially the same proportion as their ownership immediately prior to such Propane Business Combination of AmeriGas’ voting securities or the Outstanding Units, as the case may be; or

(B) (a) Completion of a complete liquidation or dissolution of AmeriGas, the Public Partnership or the Operating Partnership or (b) sale or other disposition of all or substantially all of the assets of AmeriGas, the Public Partnership or the Operating Partnership other than to an entity with respect to which, following such sale or disposition, (I) if such entity is a corporation, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of AmeriGas’ voting securities or of the Outstanding Units, as the case may be, immediately prior to such sale or disposition in substantially the same proportion as their ownership of AmeriGas’ voting securities or of the Outstanding Units, as the case may be, immediately prior to such sale or disposition, or, (II) if such entity is a partnership, more than fifty percent (50%) of the then outstanding common units is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of

AmeriGas' voting securities or of the Outstanding Units, as the case may be, immediately prior to such sale or disposition in substantially the same proportion as their ownership of AmeriGas' voting securities or of the Outstanding Units immediately prior to such sale or disposition; or

(C) UGI and the UGI Subsidiaries fail to own more than fifty percent (50%) of the then outstanding general partnership interests of the Public Partnership or the Operating Partnership; or

(D) UGI and the UGI Subsidiaries fail to own more than fifty percent (50%) of the then outstanding shares of common stock of AmeriGas or more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of AmeriGas entitled to vote generally in the election of directors; or

(E) AmeriGas is removed as the general partner of the Public Partnership by vote of the limited partners of the Public Partnership, or is removed as the general partner of the Public Partnership or the Operating Partnership as a result of judicial or administrative proceedings involving AmeriGas, the Public Partnership or the Operating Partnership.

FORM OF UGI CORPORATION
2013 OMNIBUS INCENTIVE COMPENSATION PLAN
STOCK UNIT GRANT LETTER

This STOCK UNIT GRANT LETTER is dated _____ (the “Date of Grant”) and delivered by UGI Corporation (“UGI”), to _____ (the “Participant”) (the “Grant Letter”).

RECITALS

The UGI Corporation 2013 Omnibus Incentive Compensation Plan, as amended (the “Plan”) provides for the grant of stock units with respect to shares of common stock of UGI (“Shares”). The Board of Directors of UGI (the “Board”) has decided to make a stock unit grant to the Participant.

NOW, THEREFORE, the parties to this Grant Letter, intending to be legally bound hereby, agree as follows:

1. Grant of Stock Units.

(a) Subject to the terms and conditions set forth in this Grant Letter, the Board hereby awards the Participant an award of _____ Stock Units (as defined in Section 4). The Stock Units are granted with Dividend Equivalents (as defined in Section 4).

(b) UGI shall keep records in an Account (as defined in Section 4) to reflect the number of Stock Units and Dividend Equivalents credited to the Participant. Fractional Stock Units shall accumulate in the Participant’s Account and shall be added to other fractional Stock Units to create whole Stock Units.

2. Dividend Equivalents with Respect to Stock Units.

(a) *Crediting of Dividend Equivalents.* From the Date of Grant until the Participant’s Account has been fully distributed, on each payment date for a dividend paid by UGI on its Shares, UGI shall credit to the Participant’s Account an amount equal to the Dividend Equivalent associated with the Stock Units credited to the Participant on the record date for the dividend.

(b) *Conversion to Stock Units.* On the last day of each Plan Year (as defined in Section 4), the amount of the Dividend Equivalents credited to the Participant’s Account during that Plan Year shall be converted to a number of Stock Units, based on the Unit Value (as defined in Section 4) on the last day of the Plan Year. In the event of a Change of Control (as defined in

the Plan) or in the event the Participant dies or Separates from Service (as defined in Section 4) prior to the last day of the Plan Year, as soon as practicable following such event, and in no event later than the date on which Stock Units are redeemed in accordance with Section 3, UGI shall convert the amount of Dividend Equivalents previously credited to the Participant's Account during the Plan Year to a number of Stock Units based on the Unit Value on the date of such Change of Control, death or Separation from Service.

3. Events Requiring Redemption of Stock Units.

(a) *Redemption.* UGI shall redeem Stock Units credited to the Participant's Account at the times and in the manner prescribed by this Section 3. When Stock Units are to be redeemed, UGI will determine the Unit Value of the Stock Units credited to the Participant's Account as of the date of the Participant's Separation from Service or death. Except as described in subsection (c) below, an amount equal to 65% of the aggregate Unit Value will be paid in the form of whole Shares (with fractional Shares paid in cash), and the remaining 35% of the aggregate Unit Value will be paid in cash.

(b) *Separation from Service or Death.* In the event the Participant Separates from Service or dies, UGI shall redeem all the Stock Units then credited to the Participant's Account as of the date of the Participant's Separation from Service or death. In the event of a Separation from Service, the redemption amount shall be paid within 30 business days after the date of the Participant's Separation from Service. In the event of death, the redemption amount shall be paid to the Participant's estate within 60 business days after the Participant's death.

(c) *Change of Control.* In the event of a Change of Control, UGI shall redeem all the Stock Units then credited to the Participant's Account. The redemption amount shall be paid in cash on the closing date of the Change of Control (except as described below). The amount paid shall equal the product of the number of Stock Units being redeemed multiplied by the Unit Value at the date of the Change of Control. However, in the event that the transaction constituting a Change of Control is not a change in control event under section 409A of the Code (as defined in Section 4), the Participant's Stock Units shall be redeemed and paid in cash upon Separation from Service on the applicable date described in subsection (b) above (based on the aggregate Unit Value on the date of Separation from Service as determined by the Board), instead of upon the Change of Control pursuant to this subsection (c). If payment is delayed after the Change of Control, pursuant to the preceding sentence, the Board may provide for the Stock Units to be valued as of the date of the Change of Control and interest to be credited on the amount so determined at a market rate for the period between the Change of Control date and the payment date.

(d) *Deferral Elections.* Notwithstanding the foregoing, pursuant to the Deferral Plan, the Participant may make a one-time, irrevocable election to elect to have all of the Participant's Stock Units credited to the Participant's account under the Deferral Plan on the date of the Participant's Separation from Service, in lieu of the redemption and payments described in subsection (b) above. If the Participant makes a deferral election, the Participant's Stock Units will be credited to the Participant's account under the Deferral Plan at Separation from Service and the amount credited to the Deferral Plan shall be distributed in accordance with the

provisions of the Deferral Plan. If the Participant makes a deferral election under the Deferral Plan and a Change of Control occurs: (i) subsection (c) above shall apply if the Change of Control occurs before the Participant's Separation from Service and (ii) the terms of the Deferral Plan shall apply if the Change of Control occurs after or simultaneously with the Participant's Separation from Service. An election under the Deferral Plan shall be made in writing, on a form and at a time prescribed by the committee that administers the Deferral Plan and shall be irrevocable upon submission to the Corporate Secretary.

4. Definitions. For purposes of this Grant Letter, the following terms will have the meanings set forth below:

(a) "*Account*" means UGI's bookkeeping account established pursuant to Section 1, which reflects the number of Stock Units and the amount of Dividend Equivalents standing to the credit of the Participant.

(b) "*Dividend Equivalent*" means an amount determined by multiplying the number of Shares subject to Stock Units by the per-share cash dividend, or the per-share fair market value of any dividend in consideration other than cash, paid by UGI on its common stock.

(c) "*Code*" means the Internal Revenue Code of 1986, as amended.

(d) "*Deferral Plan*" means the UGI Corporation 2009 Deferral Plan.

(e) "*Plan Year*" means the calendar year.

(f) "*Separates from Service*" or "*Separation from Service*" means the Participant's termination of service as a non-employee director and as an employee of UGI for any reason other than death and shall be determined in accordance with section 409A of the Code.

(g) "*Stock Unit*" means the right of the Participant to receive a Share of UGI common stock, or an amount based on the value of a Share of UGI common stock, subject to the terms and conditions of this Grant Letter and the Plan.

(h) "*Unit Value*" means, at any time, the value of each Stock Unit, which value shall be equal to the Fair Market Value (as defined in the Plan) of a Share on such date.

5. Taxes. All obligations of UGI under this Grant Letter shall be subject to the rights of UGI as set forth in the Plan to withhold amounts required to be withheld for any taxes, if applicable.

6. Conditions. The obligation of UGI to deliver Shares shall also be subject to the condition that if at any time the Board shall determine in its discretion that the listing, registration or qualification of the Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the issue of Shares, the Shares may not be issued in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board. The issuance of Shares to the

Participant pursuant to this Grant Letter is subject to any applicable taxes and other laws or regulations of the United States or of any state having jurisdiction thereof.

7. Grant Subject to Plan Provisions and Company Policies.

(a) This grant is made pursuant to the Plan, which is incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and payment of the Stock Units are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Board in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (i) the registration, qualification or listing of the Shares issued under the Plan, (ii) changes in capitalization of UGI and (iii) other requirements of applicable law. The Board shall have the authority to interpret and construe this Grant Letter pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

(b) All Shares issued pursuant to this Stock Unit grant shall be subject to any applicable policies implemented by the Board of Directors of UGI, as in effect from time to time.

8. No Shareholder Rights. Neither the Participant, nor any person entitled to receive payment in the event of the Participant's death, shall have any of the rights and privileges of a shareholder with respect to Shares, until certificates for Shares have been issued upon payment of Stock Units. The Participant shall not have any interest in any fund or specific assets of UGI by reason of this award or the Stock Unit account established for the Participant.

9. Assignment and Transfers. The rights and interests of the Participant under this Grant Letter may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. If the Participant dies, any payments to be made under this Grant Letter after the Participant's death shall be paid to the Participant's estate. The rights and protections of UGI hereunder shall extend to any successors or assigns of UGI and to UGI's parents, subsidiaries, and affiliates.

10. Compliance with Code Section 409A. Notwithstanding any other provisions hereof, this Grant Letter is intended to comply with the requirements of section 409A of the Code. For purposes of section 409A, each payment of compensation under this Grant Letter shall be treated as a separate payment.

11. Applicable Law. The validity, construction, interpretation and effect of this Grant Letter shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of laws provisions thereof.

12. Notice. Any notice to UGI provided for in this Grant Letter shall be addressed to UGI in care of the Corporate Secretary at UGI's headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the records of UGI, or to such other address as the Participant may designate to UGI in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above,

registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

IN WITNESS WHEREOF, the parties have executed this Stock Unit Grant Letter as of the Date of Grant.

Attest: UGI Corporation

Name: By: _____
Title:

I hereby (i) acknowledge receipt of the Plan incorporated herein, (ii) acknowledge that I have read the Grant Letter and understand the terms and conditions of it, (iii) accept the Stock Units described in the Grant Letter, (iv) agree to be bound by the terms of the Plan and the Grant Letter, and (v) agree that all the decisions and determinations of the Board or the Committee shall be final and binding on me and any other person having or claiming a right under this Grant.

Participant

FORM OF UGI CORPORATION
2013 OMNIBUS INCENTIVE COMPENSATION PLAN
NONQUALIFIED STOCK OPTION GRANT LETTER

This STOCK OPTION GRANT, dated _____ (the "Date of Grant"), is delivered by UGI Corporation ("UGI") to _____ (the "Participant").

RECITALS

The UGI Corporation 2013 Omnibus Incentive Compensation Plan (the "Plan") provides for the grant of options to purchase shares of common stock of UGI. The Board of Directors of UGI (the "Board") has decided to make a stock option grant to the Participant.

NOW, THEREFORE, the parties to this Grant Letter, intending to be legally bound hereby, agree as follows:

1. Grant of Option. Subject to the terms and conditions set forth in this Grant Letter and in the Plan, the Board hereby grants to the Participant a nonqualified stock option (the "Option") to purchase _____ shares of common stock of UGI ("Shares") at an exercise price of \$_____ per Share. The Option shall be fully and immediately exercisable on the Date of Grant.

2. Term of Option.

(a) The Option shall have a term of ten years from the Date of Grant and shall terminate at the expiration of that period (5:00 p.m. EST on _____), unless it is terminated at an earlier date pursuant to the provisions of this Grant Letter or the Plan.

(b) The Option, to the extent that it has not previously been exercised, will terminate when the Participant Separates from Service (as defined below) with the Company (as defined below). However, if the Participant Separates from Service by reason of Retirement (as defined below), Disability (as defined below), or death, the Option will thereafter be exercisable pursuant to the following:

(i) *Retirement.* If the Participant Separates from Service on account of Retirement, the Option held by such Participant may be exercised at any time prior to the expiration date of the Option.

(ii) *Disability.* If the Participant is determined to be Disabled by the Board, the Option may be exercised at any time prior to the earlier of the expiration date of the

Option or the expiration of the 36-month period following the Participant's Separation from Service on account of Disability.

(iii) *Death*. In the event of the death of the Participant while serving as a non-employee director or employee of the Company, the Option may be exercised by the personal representative of the Participant's estate, or the personal representative under applicable law if the Participant dies intestate, at any time prior to the earlier of the expiration date of the Option or the expiration of the 12-month period following the Participant's death.

(c) In no event may the Option be exercised after the date that is immediately before the tenth anniversary of the Date of Grant.

3. Exercise Procedures.

(a) Subject to the provisions of Section 2 above, the Participant may exercise part or all of the exercisable Option by giving UGI irrevocable written notice of intent to exercise on a form provided by UGI and delivered in the manner provided in Section 11 below. Payment of the exercise price must be made prior to issuance of the Shares. The Participant shall pay the exercise price (i) in cash, (ii) by delivering Shares, which shall be valued at their fair market value on the date of delivery, which shall have been held by the Participant for at least six months, and which shall have a fair market value on the date of exercise equal to the exercise price, (iii) by payment through a broker in accordance with procedures permitted by Regulation T of the Federal Reserve Board, (iv) by a "net exercise" in accordance with procedures established by the Committee, or (v) by such other method as the Board may approve.

(b) The obligation of UGI to deliver Shares upon exercise of the Option shall be subject to all applicable laws, rules, and regulations and such approvals by governmental agencies as may be deemed appropriate by the Board, including such actions as UGI's counsel shall deem necessary or appropriate to comply with relevant securities laws and regulations. UGI may require that the Participant (or other person exercising the Option after the Participant's death) represent that the Participant is purchasing Shares for the Participant's own account and not with a view to or for sale in connection with any distribution of the Shares, or such other representation as UGI deems appropriate.

(c) All obligations of UGI under this Grant Letter shall be subject to the rights of the Company as set forth in the Plan to withhold amounts required to be withheld for any taxes, if applicable.

4. Definitions. Whenever used in this Grant Letter, the following terms will have the meanings set forth below:

(a) "*Company*" means UGI and its Subsidiaries (as defined in the Plan).

(b) "*Disability*" means the Participant's physical or mental disability, as determined by the Board in its sole discretion.

(c) “*Retirement*” means the Participant’s Separation from Service after (1) attaining age 65 with five or more years of service with the Company or (2) ten or more years of service with the Company.

(d) “*Separates from Service*” or “*Separation from Service*” means the Participant’s termination of service as a non-employee director and as an employee of the Company for any reason other than death.

(e) “*Termination without Cause*” means termination of employment or service by the Company for the convenience of the Company for any reason other than (i) theft or misappropriation of funds or conduct that has an adverse effect on the reputation of the Company, (ii) conviction of a felony or a crime involving moral turpitude, (iii) material breach of the Company’s written code of conduct, or other material written employment policies, applicable to the Participant, (iv) breach of any written confidentiality, non-competition or non-solicitation covenant between the Participant and the Company, (v) gross misconduct in the performance of duties, or (vi) intentional refusal or failure to perform the material duties of the Participant’s position.

5. Change of Control. The provisions of the Plan applicable to a Change of Control (as defined in the Plan) shall apply to the Option, and, in the event of a Change of Control, the Board may take such actions as it deems appropriate pursuant to the Plan.

6. Restrictions on Exercise. Only the Participant may exercise the Option during the Participant’s lifetime and, after the Participant’s death, the Option shall be exercisable by the Participant’s estate, to the extent that the Option is exercisable pursuant to this Grant Letter.

7. Grant Subject to Plan Provisions and Company Policies.

(a) This grant is made pursuant to the Plan, which is incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and exercise of the Option are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Board in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (i) the registration, qualification or listing of the Shares, (ii) changes in capitalization of the Company and (iii) other requirements of applicable law. The Board shall have the authority to interpret and construe the Option pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

(b) All Shares issued pursuant to this grant shall be subject to any applicable policies implemented by the Board of Directors of UGI as in effect from time to time.

8. No Shareholder Rights. Neither the Participant, nor any person entitled to exercise the Participant’s rights in the event of the Participant’s death, shall have any of the rights and privileges of a shareholder with respect to the Shares subject to the Option, until certificates for Shares have been issued upon the exercise of the Option.

9. Assignment and Transfers. Except as the Board may otherwise permit pursuant to the Plan, the rights and interests of the Participant under this Grant Letter may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates.

10. Applicable Law. The validity, construction, interpretation and effect of this Grant Letter shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of laws provisions thereof.

11. Notice. Any notice to UGI provided for in this Grant Letter shall be addressed to UGI in care of the Corporate Secretary at UGI's headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the records of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

IN WITNESS WHEREOF, UGI has caused its duly authorized officers to execute and attest this Grant Letter, and the Participant has executed this Grant Letter, effective as of the Date of Grant.

Attest: UGI Corporation

Name: By: _____ Title:

I hereby (i) acknowledge receipt of the Plan incorporated herein, (ii) acknowledge that I have read the Grant Letter and understand the terms and conditions of it, (iii) accept the Option described in the Grant Letter, (iv) agree to be bound by the terms of the Plan and the Grant Letter, and (v) agree that all the decisions and determinations of the Board or the Committee shall be final and binding on me and any other person having or claiming a right under this Grant.

Participant

UGI CORPORATION

2013 OMNIBUS INCENTIVE COMPENSATION PLAN

TERMS AND CONDITIONS FOR NON-EMPLOYEE DIRECTORS

Effective January 1, 2019

UGI Corporation
2013 Omnibus Equity Compensation Plan

Stock Options and Stock Units For Non-Employee Directors

Terms and Conditions

The following Terms and Conditions shall be used for purposes of administering Options and Stock Units granted to Non-Employee Directors under the 2013 Omnibus Equity Compensation Plan (the "Plan"). The Committee has discretion to modify or deviate from the Terms and Conditions at any time, and in all events the specific terms of the Grant Letter shall control. The defined terms shall have the meanings given those terms in the Plan or in these Terms and Conditions, if not defined in the Plan.

1. Definitions.

Whenever used in these Terms and Conditions for Non-Employee Directors, the following terms will have the meanings set forth below:

(a) "*Account*" means the Company's bookkeeping account established pursuant to Section 3, which reflects the number of Stock Units and the amount of Dividend Equivalents standing to the credit of a Participant under the Plan.

(b) "*Beneficiary*" means the person designated by a Non-Employee Director to receive any benefits payable after the Non-Employee Director's death. The Company shall provide a form for this purpose. In the event a Non-Employee Director has not filed a Beneficiary designation with the Company or none of the designated Beneficiaries are living at the date of the Non-Employee Director's death, the Beneficiary shall be the Non-Employee Director's estate.

(c) "*Committee*" means, for purposes of Grants to Non-Employee Directors, the Board or its delegate.

(d) "*Deferral Plan*" means the UGI Corporation 2009 Deferral Plan, as amended from time to time.

(e) "*Retirement*" means a Non-Employee Director's Separation from Service after (1) attaining age 65 with five or more years of service with the Company, or (2) ten or more years of service with the Company.

(f) "*Separates from Service*" means the Non-Employee Director's termination of service as a non-employee director and as an employee of the Company for any reason other than death and shall be determined in accordance with section 409A of the Code.

(g) “*Unit Value*” means, at any time, the value of each Stock Unit issued under the Plan, which value shall be equal to the Fair Market Value of a share of Stock on such date.

2. Options.

(a) *Grant of Options.* The Board shall grant Options annually to Non-Employee Directors in the amounts set forth on the attached Exhibit A, on the date specified therein. The Option Price will equal the Fair Market Value on the Date of Grant. Any Non-Employee Director who becomes a Non-Employee Director mid-year (i.e., after the annual meeting of shareholders) shall not automatically receive an Option award upon election to the Board.

(b) *Exercise and Vesting.* Except as otherwise specified in the Grant Letter, an Option will be fully and immediately exercisable on the Date of Grant. In the event that any Options are not by their terms immediately exercisable, the Committee may accelerate the exercisability of any or all outstanding Options at any time for any reason. No Option will be exercisable on or after the tenth anniversary of the Date of Grant. Except as otherwise specified by the Committee, if a vested Option would terminate at a time when trading in Stock is prohibited by law or by the Company’s insider trading policy, the vested Option may be exercised until the thirtieth day after expiration of such prohibition (but not beyond the term of the Option).

(c) *Separation from Service.* Except as otherwise specified by the Committee, each Option, to the extent that it has not previously been exercised, will terminate when the Participant holding such Option Separates from Service. However, if a Participant holding an Option Separates from Service by reason of Retirement, disability, or death, the Option held by any such Participant will be fully and immediately exercisable and will thereafter be exercisable pursuant to the following:

(A) *Retirement.* If a Participant Separates from Service on account of Retirement, the Option held by such Participant will continue in effect and terminate upon the expiration date of the Option.

(2) *Disability.* The Committee shall have sole discretion to determine whether or not a Participant is “disabled.” If a Participant is determined to be “disabled” by the Committee, the Option held by such Participant may be exercised at any time prior to the earlier of the expiration date of the Option or the expiration of the 36-month period following the Participant’s Separation from Service on account of disability.

(3) *Death.* In the event of the death of a Participant while serving as a non-employee director or employee of the Company, the Option held by such Participant may be exercised at any time prior to the earlier of the expiration date of the Option or the expiration of the 12-month period following the Participant’s death. Such Option may be exercised by the personal representative of the Participant’s estate, or the personal representative under applicable law if the Participant dies intestate.

(d) *Payment.* An Option may be exercised, and the Option Price paid, in any method permitted by the Plan.

3. Award of Stock Units.

(a) *Annual Award of Stock Units.* Each Non-Employee Director shall receive an annual award of Stock Units in the amount set forth on the attached Exhibit A on the date specified therein. Such Stock Units shall be credited to each Participant's Account as specified in Section 3(c) below. Any Non-Employee Director who becomes a Non-Employee Director mid-year (i.e., after the annual meeting of shareholders) shall not automatically receive an award of Stock Units upon election to the Board.

(b) *Dividend Equivalents*

(i) *Dividend Equivalent to be Credited.* From the Date of Grant of each Stock Unit until the Participant's Account has been fully distributed, on each payment date for a dividend paid by UGI on its Stock, the Company shall credit to each Participant's Account an amount equal to the Dividend Equivalent associated with the Stock Units held by the Participant on the record date for the dividend.

(ii) *Conversion to Stock Units.* On the last day of each calendar year, the amount of the Dividend Equivalents credited to the Participant's Account during that calendar year, shall be converted to a number of Stock Units, based on the Unit Value on the last day of the calendar year. Notwithstanding the foregoing, in the event of a Change of Control or in the event the Non-Employee Director dies or Separates from Service prior to the last day of the calendar year, as soon as practicable following such event and in no event later than the date on which Stock Units are redeemed in accordance with Section 5, the Company shall convert the amount of the Dividend Equivalents credited to the Participant's Account as of the date of the Change of Control, death or Separation from Service (the "Conversion Date") to a number of Stock Units based on the Unit Value on the Conversion Date.

(c) *Accounts.* The Company shall keep records to reflect the number of Stock Units and Dividend Equivalents credited to each Non-Employee Director hereunder. Fractional Stock Units shall accumulate in the Participant's Account and shall be added to fractional Stock Units held in such Account to create whole Stock Units.

4. Dividend Equivalents on Stock Units Granted under 2004 Plan. Shares of Stock will be issued under the Plan with respect to Dividend Equivalents that are credited after the effective date of the Plan on Stock Units granted under the 2004 Omnibus Equity Compensation Plan before January 24, 2013.

5. Events Requiring Redemption of Stock Units.

The Company shall redeem Stock Units credited to a Participant's Account only at the times and in the manner prescribed by the terms of this Section 5.

(a) *Death.* In the event a Participant dies, the Company shall redeem all of the Stock Units then credited to the Participant's Account as of the date of the Participant's death, based on the Unit Value of the Stock Units credited to the Participant's Account as of the date of the

Participant's death. An amount equal to 65% of the aggregate Unit Value will be paid in the form of whole Shares (with fractional Shares paid in cash), and the remaining 35% of the aggregate Unit Value will be paid in cash. The redemption amount shall be paid to the Participant's estate within 60 business days after the Participant's death.

(b) *Separation from Service.* In the event a Participant Separates from Service, the Company shall redeem all of the Stock Units then credited to the Participant's Account as of the date of such Separation from Service, based on the Unit Value of the Stock Units credited to the Participant's Account as of the date of the Participant's Separation from Service. An amount equal to 65% of the aggregate Unit Value will be paid in the form of whole Shares (with fractional Shares paid in cash), and the remaining 35% of the aggregate Unit Value will be paid in cash, within 30 business days after the date of the Participant's Separation from Service.

(c) *Change of Control.* In the event of a Change of Control, the Company shall redeem all the Stock Units then credited to the Participant's Account. The redemption amount shall be paid in cash on the closing date of the Change of Control (except as described below). The amount paid shall equal the product of the number of Stock Units being redeemed multiplied by the Unit Value at the date of the Change of Control. However, in the event that the transaction constituting a Change of Control is not a change in control event under section 409A of the Code, the Participant's Stock Units shall be redeemed and paid in cash upon Separation from Service or death on the applicable date described in subsection (a) or (b) above (based on the aggregate Unit Value on the date of Separation from Service or death as determined by the Committee), instead of upon the Change of Control pursuant to this subsection (c). If payment is delayed after the Change of Control, pursuant to the preceding sentence, the Committee may provide for the Stock Units to be valued as of the date of the Change of Control and interest to be credited on the amount so determined at a market rate for the period between the Change of Control date and the payment date.

(d) *Effect on Outstanding Stock Units and Dividend Equivalents.* The provisions of this Section 5 relating to the medium of payment (*i.e.*, payment in cash or in a combination of cash and Shares) shall apply to all outstanding Stock Units and Dividend Equivalents.

(e) *Section 409A.* Stock Units and Dividend Equivalents shall meet the requirements of section 409A of the Code or an exemption from such requirements. If a Grant is subject to section 409A of the Code, (i) distributions shall only be made in a manner and upon an event permitted under section 409A of the Code, (ii) payments to be made upon a termination of employment shall only be made upon a "separation from service" under section 409A of the Code, (iii) payments to be made upon a Change of Control shall only be made upon a "change of control event" under section 409A of the Code, (iv) unless the Grant specifies otherwise, each payment shall be treated as a separate payment for purposes of section 409A of the Code, and (v) in no event shall a Participant, directly or indirectly, designate the calendar year in which a distribution is made except in accordance with section 409A of the Code.

(f) *Deferral Elections.* Notwithstanding the foregoing, a Non-Employee Director may make a one-time, irrevocable election to elect to have all of the Non-Employee Director's Stock Units credited to the Non-Employee Director's account under the Deferral Plan on the date

of the Non-Employee Director's Separation from Service, in lieu of the redemption and payments described in subsections (a) or (b). If the Non-Employee Director makes a deferral election, the Non-Employee Director's Stock Units will be credited to the Non-Employee Director's account under the Deferral Plan at Separation from Service and the amount credited to the Deferral Plan shall be distributed in accordance with the provisions of the Deferral Plan. If the Non-Employee Director makes a deferral election and a Change of Control occurs: (i) subsection (c) above shall apply if the Change of Control occurs before the Non-Employee Director's Separation from Service and (ii) the terms of the Deferral Plan shall apply if the Change of Control occurs after or simultaneously with the Non-Employee Director's Separation from Service. An election under this subsection (f) shall be made in writing, on a form and at a time prescribed by the Committee and shall be irrevocable upon submission to the Corporate Secretary.

6. Company Policies. All Shares issued pursuant to an Option or Stock Unit shall be subject to any applicable policies implemented by the Board of Directors of UGI, as in effect from time to time.

Exhibit A

Non-Employee Director Grants

Options:

The number of shares based on a value determined by the Board in its discretion

Grant Date: The date on which the Non-Employee Director is elected to the Board at an annual meeting of shareholders

Options granted to Non-Employee Directors through 2015 were granted under the 2004 Omnibus Equity Compensation Plan.

Stock Units:

The number of units based on a value determined by the Board in its discretion

Grant Date: The date on which the Non-Employee Director is elected to the Board at an annual meeting of shareholders

Notwithstanding the foregoing, a Non-Employee Director who becomes a Non-Employee Director mid-year (i.e., after the annual meeting of shareholders) shall not automatically receive an Option award or an award of Phantom Units upon election to the Board.

FORM OF CONFIDENTIALITY, NON-COMPETITION AND NON-SOLICITATION AGREEMENT

A. I, _____, the undersigned employee, have been offered a promotion to the position of _____, in connection with my employment with UGI Corporation, a Pennsylvania corporation. I will support UGI Corporation and its subsidiaries and affiliates (collectively, "UGI") throughout the United States and internationally where UGI operates. I will be responsible for _____. I will work closely with executive officers and senior management of the various business units and will participate in meetings with UGI's Board of Directors and committees. I will also work closely with numerous vendors and suppliers of services to UGI.

B. I understand that UGI will put me in a position of trust and confidence and by disclosing to me, as well as having me develop, Confidential Information about its business and customers. I acknowledge that UGI is in a highly competitive industry and that it has legitimate interests in maintaining and preserving its Confidential Information and customer relationships. I will be privy to certain key business information, strategic plans and other highly Confidential Information about UGI's current and future business and will provide legal and other input on these issues.

C. Accordingly, in consideration for my promotion as well as an Amended and Restated Change in Control Agreement, which I acknowledge is adequate and sufficient consideration, I agree to the terms of this Confidentiality, Non-Competition and Non-Solicitation Agreement ("Agreement"), as follows:

1. Recitals.

The recitals contained in the lettered paragraphs above are hereby incorporated and made a part of this Agreement.

2. Definitions.

a. The term "Confidential Information" includes all confidential and proprietary information that UGI has developed, acquired, created, compiled, discovered or owns, that has value to UGI's business and which is not generally known or otherwise available to the public and which UGI wishes to maintain as confidential, including, without limitation, information, whether in tangible form or otherwise, concerning actual or anticipated business, products, sales and marketing plans; technical data and trade secrets; past, present and prospective customer identities, lists, preferences, credit information and usage patterns; pricing and marketing policies and practices; financial and forecast information; compliance and related initiatives; risk profiles and tolerance; passwords, log-in information and other details relating to system access, databases and computer programs; contractual and other dealings with customers, vendors and suppliers; acquisition and strategic plans; and other operating policies and practices.

b. The term "Territory" refers to the 50 States of the United States and any other United States territories and foreign countries in which UGI conducts business.

c. The term "UGI Customer" refers to any business or person who: (i) purchased goods or services from UGI during the one-year period prior to the termination of my employment; or (ii) solicited or was solicited by, or received a proposal from, UGI to supply it with goods or services, where I had involvement in the preparation or presentation of such solicitation or proposal, during the six-month period prior to the termination of my employment.

3. Confidential Information and UGI Property.

a. I will protect the Confidential Information of UGI and its predecessors, as well as Confidential Information of any other party to whom UGI owes an obligation of non-disclosure, from disclosure and will not divulge it during or after my employment to any other person or entity not associated with UGI, except as necessary to fulfill my obligations, duties and responsibilities associated with my work on behalf of UGI. To the extent that I am required to disclose Confidential Information in accordance with judicial proceedings or administrative orders, I shall give UGI reasonable notice prior to such disclosure and shall comply with any applicable protective order

b. All reports, manuals, memoranda, electronic information and data and other materials made available to me by UGI during the performance of my duties are the property of UGI, and I will use all such property exclusively for UGI's benefit and will return it, including copies, to UGI upon request of UGI, and in any event, without the requirement of a request, upon the termination of my employment. I shall take reasonable security precautions and measures to maintain and protect the confidentiality of Confidential Information, and shall follow all policies and procedures of UGI regarding the handling, use, access, distribution, maintenance, and disclosure of same. Nothing in this Agreement is intended to prevent any disclosure made in confidence to a government official or attorney, either directly or indirectly, solely for the purpose of reporting or investigating a suspected violation of law or in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

4. Intellectual Property Ownership

a. As used in this Agreement, "Company Innovations" means all inventions, creations, ideas (whether written or suggested), compositions, products, reports, outlines, improvements, modifications, processes, formulas, models, prototypes, sketches, drawings, plans or other works or material(s) for which I, alone or with one or more others, may make, devise or discover during my employment with UGI, including all ideas, inventions, creations, or plans written, suggested, created, produced, constructed, and/or contemplated including, but not limited to, items that pertain or are actually or potentially useful to any of the commercial or industrial activities, or processes and/or equipment for supporting same, of UGI. Company Innovations do not include, however, any invention that I developed entirely on my own time without using UGI's equipment, supplies, facilities or trade secret information, except for those inventions that either: (1) relate at the time of conception or reduction to practice of the invention to the design,

manufacturing, marketing or sale of goods or services that UGI distributes or sells; or (2) result from any work performed by me for UGI

b. All Company Innovations shall be the sole and exclusive property of UGI and shall constitute “works made for hire” as that term is defined in the copyright laws of the United States.

c. I agree to execute and deliver to UGI such assignments or other instruments as UGI may require from time to time to evidence UGI’s ownership of Company Innovations.

d. I agree to waive any and all rights to Company Innovations.

e. I shall, irrespective of the termination of my employment with UGI, give all information and data in my possession as to the exact working, producing, and using any inventions and will also at the expense of UGI give all such explanations, demonstrations, and instructions to UGI as UGI may deem appropriate to enable the full and effectual working production or use of the same. At UGI’s expense, I shall, irrespective of the termination of my employment with UGI, promptly execute all acts, matters, documents, and perform all other acts necessary to enable UGI or its designated representative to apply for and obtain any and all applicable intellectual property rights in any and all countries relating to any Company Innovations.

5. Non-competition and Non-solicitation.

During my employment and for a period of two years after the termination of my employment with UGI for any reason, voluntary or involuntary:

a. I will not, for the benefit of myself or any other person or entity other than UGI, directly or indirectly, for the purpose or effect of competing or interfering with any part of UGI’s business: (i) solicit or service the business of any UGI Customer within the Territory; or (ii) solicit or conduct business with any person or entity who is a vendor or supplier of any product or service to UGI in the Territory or induce any such vendor or supplier to terminate or reduce its relationship with UGI.

b. I will not, directly or indirectly: (i) own or operate; (ii) acquire an equity or partnership interest or a controlling interest of any other kind in; (iii) accept employment from; or (iv) serve in any role including, without limitation, as a principal, director, officer, partner, consultant, agent, representative or advisor of or to, any business that, now or in the future, distributes or sells goods or provides services that compete with goods sold or services provided by UGI (including, without limitation, propane and/or natural gas) in the Territory without first obtaining the written consent of the _____ of UGI Corporation. Notwithstanding anything to the contrary herein, in the event that my employment is involuntarily terminated by UGI based upon my failure to meet the performance or financial objectives established for my position and UGI, in its sole discretion, determines that such failure on my part was not deliberate, UGI may, in its sole discretion, on a case by case basis, determine that a reduction in the two-year post-employment term is appropriate. Nothing in this paragraph 5(b) shall prohibit me from passively investing in a publicly held business

that competes with UGI provided my investment is less than 1% of the outstanding stock or market value of the business and I do not otherwise violate paragraph 3, 4, or 5 of this Agreement.

c. I will not, directly or indirectly, nor will I induce any other person or entity to, solicit, recruit, offer employment or engagement to, hire, employ or engage (or participate in any of the foregoing), in a competing business, any employee or consultant of UGI over whom I had direct or indirect supervisory responsibility or with whom I worked, or who was employed or engaged by UGI within the Territory during the two-year period prior to the termination of my employment. Furthermore, I shall not induce or attempt to induce any employee or consultant to terminate his or her employment or engagement with UGI.

6. Remedies and Reformation.

a. I understand that if I violate this Agreement, UGI will suffer irreparable harm; therefore, in addition to any other remedies available to it, UGI will be entitled to seek and obtain injunctive or equitable relief, including orders prohibiting violations of this Agreement, without the necessity of posting a bond. The limitations in this Agreement which apply for a period of two years after termination of employment shall be enforced by a court from the date of the last breach or violation of the applicable restriction(s) up to four years after termination of employment. If any provision of this Agreement shall be determined to be invalid or unenforceable to any extent, the parties to this Agreement authorize the court to modify it to the extent necessary to make the provision enforceable. If any provision of this Agreement shall be determined to be invalid or unenforceable to any extent, such invalidity shall not impair the operation of or affect the remaining provisions hereof.

b. In any legal proceeding in which UGI obtains injunctive or equitable relief or damages against me arising out of my violation of this Agreement, UGI shall be entitled to recover from me its reasonable attorneys' fees and costs.

c. The failure by UGI to insist on my compliance with this Agreement or to enforce it in any particular circumstance will not constitute a waiver by UGI of its rights to seek relief for any other or subsequent breach of this Agreement. Any breach by UGI of this Agreement or any other agreement between UGI and me, whether or not material, shall not constitute a defense to UGI's enforcement of this Agreement against me.

7. Additional Provisions.

a. This Agreement shall continue to be in full force and effect without re-execution in the event that: (i) I am employed by UGI in another position or transferred to another territory; (ii) I take a leave of absence; or (iii) there are periods between active employment during which I do not perform services for UGI.

b. This Agreement was, and shall be deemed to have been, made in the Commonwealth of Pennsylvania. This Agreement and all disputes or claims arising under or relating to this Agreement shall be governed by the laws of the Commonwealth of Pennsylvania without regard to its choice of law provisions.

c. The Court of Common Pleas of Montgomery County and the United States District Court for the Eastern District of Pennsylvania (hereafter, the “Designated Courts”) shall have exclusive jurisdiction over disputes arising out of or relating to this Agreement. Accordingly, both UGI and I agree to submit to the exclusive jurisdiction and venue of the Designated Courts, and each of us agrees to waive any right to contest personal jurisdiction and venue before the Designated Courts or to seek to transfer or otherwise object to or challenge such Designated Courts.

d. I will disclose the existence of this Agreement to all of my prospective and actual employers. I authorize UGI to disclose the existence of this Agreement and to provide a copy of this Agreement to any prospective and actual employer.

e. I have read and understood this Agreement, believe it to be reasonable, and am signing it voluntarily. I acknowledge that my obligations under this Agreement will not impose an unreasonable economic hardship on me and are reasonable and necessary to protect UGI’s legitimate business interests. I further recognize that this Agreement may be enforced against me by a court of law or equity. I also understand that the execution of this Agreement is a requirement of my employment with UGI and that UGI will expect me to adhere strictly to the terms of this Agreement both during and following my employment.

f. I acknowledge that I am not bound by any agreement or understanding with any third party that would inhibit me in any way from working in my role for UGI. To the extent that I have any confidentiality obligations or other restrictions under any applicable agreements with third parties, I agree not to violate the terms of any such agreements or use any such confidential information of third parties in my employment with UGI.

g. The provisions of this Agreement constitute the entire agreement between me and UGI regarding UGI's Confidential Information and my non-competition and non-solicitation obligations, which Agreement cannot be varied except by a writing signed by me and the _____ of UGI Corporation. Notwithstanding the foregoing, the provisions of this Agreement are in addition to, and not a limitation or substitution of, nor do they supersede the provisions of UGI Corporation’s Code of Business Ethics and Conduct, Employee Handbook or Human Resources Policies.

h. I hereby consent to UGI Corporation's assignment of this Agreement to any direct or indirect affiliate, subsidiary, division, related company or entity of UGI Corporation and to any entity that acquires through purchase, merger or otherwise, the assets or stock of, or any interest in, UGI Corporation or any direct or indirect affiliate, subsidiary, division, related company or entity of UGI Corporation. Any assignee shall have the same rights as UGI Corporation under this Agreement.

i. I acknowledge that this Agreement is intended to benefit UGI Corporation, and its affiliates, subsidiaries, divisions, related companies or entities, successors and assigns, now existing or hereafter created. I further acknowledge that the intended beneficiaries of the Agreement are entitled to enforce the provisions of this Agreement to the same extent as UGI Corporation.

[SIGNATURE PAGE TO FOLLOW]

Dated this ____ day of _____ 2018

Witness

UGI Corporation

Witness

By: _____

Title: _____

FORM OF CHANGE IN CONTROL AGREEMENT

This CHANGE IN CONTROL AGREEMENT (“Agreement”) is made as of _____ between UGI Corporation (the “Company”) and _____ (the “Employee”).

WHEREAS, the Company has determined that appropriate steps should be taken to reinforce and encourage the continued attention and dedication of key members of the Company’s management to their assigned duties without distraction arising from the possibility of a Change in Control (as defined below), although no such change is now contemplated;

WHEREAS, in order to induce the Employee to remain in the employ of the Company, the Company agrees that the Employee shall receive the compensation set forth in this Agreement in the event the Employee’s employment with the Company is terminated in connection with a Change in Control as a cushion against the financial and career impact on the Employee of any such Change in Control;

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements hereinafter set forth and intending to be legally bound hereby, the parties hereby agree as follows:

1. Definitions. For all purposes of this Agreement, the following terms shall have the meanings specified in this Section unless the context clearly otherwise requires:

(a) “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of Regulation 12B under the Exchange Act.

(b) A Person shall be deemed the “Beneficial Owner” of any securities: (i) that such Person or any of such Person’s Affiliates or Associates, directly or indirectly, has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (whether or not in writing) or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed the “Beneficial Owner” of securities tendered pursuant to a tender or exchange offer made by such Person or any of such Person’s Affiliates or Associates until such tendered securities are accepted for payment, purchase or exchange; (ii) that such Person or any of such Person’s Affiliates or Associates, directly or indirectly, has the right to vote or dispose of or has “beneficial ownership” of (as determined pursuant to Rule 13d-3 of Regulation 13D-G under the Exchange Act), including without limitation pursuant to any agreement, arrangement or understanding, whether or not in writing; provided, however, that a Person shall not be deemed the “Beneficial Owner” of any security under this clause (ii) as a result of an oral or written agreement, arrangement or understanding to vote such security if such agreement, arrangement or understanding (A) arises solely from a revocable proxy given in response to a public proxy or consent solicitation made pursuant to, and

in accordance with, the applicable provisions of the Proxy Rules under the Exchange Act, and (B) is not then reportable by such Person on Schedule 13D under the Exchange Act (or any comparable or successor report); or (iii) that are beneficially owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person (or any of such Person's Affiliates or Associates) has any agreement, arrangement or understanding (whether or not in writing) for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in the proviso to clause (ii) above) or disposing of any voting securities of the Company; provided, however, that nothing in this Section 1(b) shall cause a Person engaged in business as an underwriter of securities to be the "Beneficial Owner" of any securities acquired through such Person's participation in good faith in a firm commitment underwriting until the expiration of 40 days after the date of such acquisition.

(c) "Board" shall mean the Board of Directors of the Company.

(d) "Cause" shall mean (i) misappropriation of funds, (ii) habitual insobriety or substance abuse, (iii) conviction of a crime involving moral turpitude, or (iv) gross negligence in the performance of duties, which gross negligence has had a material adverse effect on the business, operations, assets, properties or financial condition of the Company. The determination of Cause shall be made by an affirmative vote of at least two-thirds of the members of the Board at a duly called meeting of the Board.

(e) "Change in Control" shall have the meaning set forth in the attached Exhibit A to this Agreement.

(f) "COBRA Cost" shall mean 100% of the "applicable premium" under section 4980B(f)(4) of the Code for continued medical and dental COBRA Coverage under the Company's benefit plans.

(g) "COBRA Coverage" shall mean continued medical and dental coverage under the Company's benefit plans, as determined under section 4980B of the Code.

(h) "Code" shall mean the Internal Revenue Code of 1986, as amended.

(i) "Compensation Committee" shall mean the Compensation and Management Development Committee of the Board.

(j) "Continuation Period" shall mean the ____-year period beginning on the Employee's Termination Date.

(k) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

(l) "Executive Severance Plan" shall mean the Company's Senior Executive Employee Severance Pay Plan, as in effect from time to time.

(m) "Good Reason Termination" shall mean a Termination of Employment initiated by the Employee upon one or more of the following occurrences:

(i) a material breach by the Company of any terms of this Agreement, including without limitation a material breach of Section 2 or 13 of this Agreement;

(ii) a material diminution in the authority, duties or responsibilities held by the Employee immediately prior to the Change in Control;

(iii) a material diminution in the Employee's base compensation as in effect immediately prior to the Change in Control; or

(iv) a material change in the geographic location at which the Employee must perform services (which, for purposes of this Agreement, means the Employee is required to report, other than on a temporary basis (less than 12 months), to a location which is more than 50 miles from the Employee's principal place of business immediately preceding the Change in Control, without the Employee's express written consent).

Notwithstanding the foregoing, the Employee shall be considered to have a Good Reason Termination only if the Employee provides written notice to the Company, pursuant to Section 3, specifying in reasonable detail the events or conditions upon which the Employee is basing such Good Reason Termination and the Employee provides such notice within 90 days after the event that gives rise to the Good Reason Termination. Within 30 days after notice has been provided, the Company shall have the opportunity, but shall have no obligation, to cure such events or conditions that give rise to the Good Reason Termination. If the Company does not cure such events or conditions within the 30-day period, the Employee may terminate employment with the Company based on Good Reason Termination within 30 days after the expiration of the cure period.

(n) "Key Employee" shall mean an employee who, at any time during the 12-month period ending on the identification date, is a "specified employee" under section 409A of the Code, as determined by the Compensation Committee or its delegate. The determination of Key Employees, including the number and identity of persons considered specified employees and the identification date, shall be made by the Compensation Committee or its delegate in accordance with the provisions of section 409A of the Code and the regulations issued thereunder.

(o) "Postponement Period" shall mean, for a Key Employee, the period of six months after separation from service (or such other period as may be required by section 409A of the Code), during which severance payments may not be paid to the Key Employee under section 409A of the Code.

(p) "Release" shall mean a release of any and all claims against the Company, its Affiliates, its Subsidiaries and all related parties with respect to all matters arising out of the Employee's employment by the Company and its Affiliates and Subsidiaries, or the termination thereof (other than claims relating to amounts payable under this Agreement or benefits accrued under any plan, program or arrangement of the Company or any of its Subsidiaries or Affiliates) and shall be in the form required by the Company of its terminating executives immediately prior to the Change in Control.

(q) “Subsidiary” shall mean any corporation in which the Company, directly or indirectly, owns at least a 50% interest or an unincorporated entity of which the Company, directly or indirectly, owns at least 50% of the profits or capital interests.

(r) “Termination Date” shall mean the effective date of the Employee’s Termination of Employment, as specified in the Notice of Termination.

(s) “Termination of Employment” shall mean the termination of the Employee’s actual employment relationship with the Company and its Subsidiaries and Affiliates.

2. Employment. After a Change in Control, during the term of the Agreement, Employee shall continue to serve in the same or a comparable executive position with the Company as in effect immediately before the Change in Control, and with the same or a greater target level of annual and long-term compensation as in effect immediately before the Change in Control.

3. Notice of Termination. Any Termination of Employment upon or following a Change in Control shall be communicated by a Notice of Termination to the other party hereto given in accordance with Section 14 hereof. For purposes of this Agreement, a “Notice of Termination” means a written notice which (i) indicates the specific provision in this Agreement relied upon, (ii) briefly summarizes the facts and circumstances deemed to provide a basis for the Employee’s Termination of Employment under the provision so indicated, and (iii) if the Termination Date is other than the date of receipt of such notice, specifies the Termination Date (which date shall not be more than 15 days after the giving of such notice) except as provided in Section 1(m) above.

4. Severance Compensation upon Termination of Employment.

(a) In the event of the Employee’s involuntary Termination of Employment by the Company or a Subsidiary or Affiliate for any reason other than Cause or in the event of a Good Reason Termination, in either event upon or within two years after a Change in Control, the Employee will receive the following amounts in lieu of any severance compensation and benefits under the Executive Severance Plan or any other severance plan of the Company or a Subsidiary or Affiliate:

(i) The Company shall pay to the Employee a lump sum cash payment equal to the greater of (A) or (B) as set forth below:

(A) The Separation Pay and Paid Notice as calculated under the terms of the Executive Severance Plan based on the Employee’s compensation and service as of the Termination Date, or

(B) _____ multiplied by the sum of (1) the Employee’s annual base salary plus (2) the Employee’s annual bonus. The annual base salary for this purpose shall be the Employee’s annual base salary in effect as of the Employee’s Termination Date. The annual bonus shall be calculated for this purpose as the greater of (x) the average annual cash bonus

paid to the Employee for the three full fiscal years of the Company preceding the fiscal year in which the Termination Date occurs or (y) the Employee's target annual cash bonus for the fiscal year in which the Termination Date occurs. For purposes of the preceding sentence, if the Employee has not received an annual cash bonus for three full fiscal years, the Employee's average annual cash bonus shall be determined by dividing the total annual cash bonuses received by the Employee during the preceding three full fiscal years by the number of full and fractional years for which the Employee received an annual cash bonus during such three-year period.

(ii) The Company shall pay to the Employee a single lump sum payment equal to the COBRA Cost that the Employee would incur if the Employee continued medical and dental coverage under the Company's benefit plans during the Continuation Period, based on the benefits in effect for the Employee (and, if applicable, his or her spouse and dependents) at the Termination Date, less the amount that the Employee would be required to contribute for medical and dental coverage if the Employee were an active employee. The cash payment shall include a tax gross up payment equal to 75% of the lump sum amount described in the preceding sentence. The Employee may elect continuation coverage under the Company's applicable medical and dental plans during the Continuation Period by paying the COBRA Cost of such coverage. COBRA Coverage shall run concurrently with the Continuation Period, and nothing in this Section shall limit the Employee's right to elect COBRA Coverage for the full period permitted by law.

(iii) The Employee's benefit under the Company's executive retirement plan in which the Employee participates shall be calculated as if the Employee had continued in employment during the Continuation Period, earning base salary and bonus at the annual rate calculated under subsection (i)(B) above.

(iv) The Company shall pay to the Employee an amount equal to the Employee's target annual cash bonus amount for the Company's fiscal year in which the Termination Date occurs, multiplied by the number of months (with a partial month counting as a full month) elapsed in the fiscal year to the Termination Date and divided by 12, as well as any amounts due but not yet paid from the prior year under such plan.

(b) Notwithstanding the foregoing, no payments shall be made to the Employee under this Section 4 unless the Employee signs and does not revoke a Release. The amounts described in subsections (a) (i), (ii) and (iv) above shall be paid on the 30th day after the Termination Date subject to the Company's receipt of a Release and expiration of the revocation period for the Release. Payments under this Agreement shall be made by mail to the last address provided for notices to the Employee pursuant to Section 14 of this Agreement.

5. Other Payments.

Upon any Termination of Employment entitling the Employee to payments under this Agreement, the Employee shall receive all accrued but unpaid salary and all benefits accrued and payable under any plans, policies and programs of the Company and its Subsidiaries or

Affiliates, provided that the Employee shall not receive severance benefits under the Executive Severance Plan or any other severance plan of the Company or a Subsidiary or Affiliate.

6. Interest; Enforcement.

(a) If the Company shall fail or refuse to pay any amounts due the Employee under Section 4 on the applicable due date, the Company shall pay interest at the rate described below on the unpaid payments from the applicable due date to the date on which such amounts are paid. Interest shall be credited at an annual rate equal to the rate listed in the *Wall Street Journal* as the “prime rate” as of the Employee’s Termination Date, plus 1%, compounded annually.

(b) It is the intent of the parties that the Employee not be required to incur any expenses associated with the enforcement of the Employee’s rights under this Agreement by arbitration, litigation or other legal action, because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Employee hereunder. Accordingly, the Company shall pay the Employee on demand the amount necessary to reimburse the Employee in full for all reasonable expenses (including all attorneys’ fees and legal expenses) incurred by the Employee in enforcing any of the obligations of the Company under this Agreement. The Employee shall notify the Company of the expenses for which the Employee demands reimbursement within 60 days after the Employee receives an invoice for such expenses, and the Company shall pay the reimbursement amount within 15 days after receipt of such notice.

7. No Mitigation. The Employee shall not be required to mitigate the amount of any payment or benefit provided for in this Agreement by seeking other employment or otherwise, nor shall the amount of any payment or benefit provided for herein be reduced by any compensation earned by other employment or otherwise.

8. Non-Exclusivity of Rights. Nothing in this Agreement shall prevent or limit the Employee’s continuing or future participation in or rights under any benefit, bonus, incentive or other plan or program provided by the Company, or any of its Subsidiaries or Affiliates, and for which the Employee may qualify.

9. No Set-Off. The Company’s obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company may have against the Employee or others.

10. Taxation. All payments under this Agreement shall be subject to all requirements of the law with regard to tax withholding and reporting and filing requirements, and the Company shall use its best efforts to satisfy promptly all such requirements.

11. Effect of Section 280G on Payments.

(a) Notwithstanding any other provisions of this Agreement to the contrary, in the event that it shall be determined that any payment or distribution in the nature of compensation

(within the meaning of section 280G(b)(2) of the Code) to or for the benefit of the Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the “Payments”), would constitute an “excess parachute payment” within the meaning of section 280G of the Code, the Company shall reduce (but not below zero) the aggregate present value of the Payments under the Agreement to the Reduced Amount (as defined below), if reducing the Payments under this Agreement will provide the Employee with a greater net after-tax amount than would be the case if no reduction was made. The Payments shall be reduced as described in the preceding sentence only if (A) the net amount of the Payments, as so reduced (and after subtracting the net amount of federal, state and local income and payroll taxes on the reduced Payments), is greater than or equal to (B) the net amount of the Payments without such reduction (but after subtracting the net amount of federal, state and local income and payroll taxes on the Payments and the amount of Excise Tax (as defined below) to which the Employee would be subject with respect to the unreduced Payments). Only amounts payable under this Agreement shall be reduced pursuant to this subsection (a). The “Reduced Amount” shall be an amount expressed in present value that maximizes the aggregate present value of Payments under this Agreement without causing any Payment under this Agreement to be subject to the Excise Tax, determined in accordance with section 280G(d)(4) of the Code. The term “Excise Tax” means the excise tax imposed under section 4999 of the Code, together with any interest or penalties imposed with respect to such excise tax.

(b) All determinations to be made under this Section 11 shall be made by an independent registered public accounting firm or consulting firm selected by the Company immediately prior to the Change in Control, which shall provide its determinations and any supporting calculations both to the Company and the Employee within 10 days of the Change in Control. Any such determination by such firm shall be binding upon the Company and the Employee.

(c) All of the fees and expenses of the firm in performing the determinations referred to in this Section shall be borne solely by the Company.

12. Term of Agreement. The term of this Agreement shall be for three years from the date hereof and shall be automatically renewed for successive one-year periods unless the Company notifies the Employee in writing that this Agreement will not be renewed at least 60 days prior to the end of the then current term; provided, however, that (i) if a Change in Control occurs during the term of this Agreement, this Agreement shall remain in effect for two years following such Change in Control or until all of the obligations of the parties hereunder are satisfied or have expired, if later, and (ii) this Agreement shall terminate if the Employee’s employment with the Company terminates for any reason before a Change in Control (regardless of whether the Employee is thereafter employed by a Subsidiary or Affiliate of the Company).

13. Successor Company. The Company shall require any successor or successors (whether direct or indirect, by purchase, merger or otherwise) to all or substantially all of the business or assets of the Company, by agreement in form and substance satisfactory to the Employee, to acknowledge expressly that this Agreement is binding upon and enforceable against the Company in accordance with the terms hereof, and to become jointly and severally

obligated with the Company to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession or successions had taken place. Failure of the Company to notify the Employee in writing as to such successorship, to provide the Employee the opportunity to review and agree to the successor's assumption of this Agreement or to obtain such agreement prior to the effectiveness of any such succession shall be a breach of this Agreement. As used in this Agreement, the Company shall mean the Company as defined above and any such successor or successors to its business or assets, jointly and severally.

14. Notice. All notices and other communications required or permitted hereunder or necessary or convenient in connection herewith shall be in writing and shall be delivered personally or mailed by registered or certified mail, return receipt requested, or by overnight express courier service, as follows:

If to the Company, to:

460 North Gulph Road
King of Prussia, PA 19406
Attention: Corporate Secretary

If to the Employee, to the most recent address provided by the Employee to the Company or a Subsidiary or Affiliate for payroll purposes,

or to such other address as the Company or the Employee, as the case may be, shall designate by notice to the other party hereto in the manner specified in this Section; provided, however, that if no such notice is given by the Company following a Change in Control, notice at the last address of the Company or any successor pursuant to Section 13 shall be deemed sufficient for the purposes hereof. Any such notice shall be deemed delivered and effective when received in the case of personal delivery, five days after deposit, postage prepaid, with the U.S. Postal Service in the case of registered or certified mail, or on the next business day in the case of overnight express courier service.

15. Section 409A of the Code.

(a) This Agreement is intended to meet the requirements of the "short-term deferral exception," "separation pay exception" and other exceptions under section 409A of the Code, as applicable. However, if the Employee is a Key Employee and if required by section 409A of the Code, no payments or benefits under this Agreement shall be paid to the Employee during the Postponement Period. If payment is required to be delayed for the Postponement Period pursuant to section 409A, the accumulated amounts withheld on account of section 409A, with interest as described in Section 6 above, shall be paid in a lump sum payment within 15 days after the end of the Postponement Period. If the Employee dies during the Postponement Period prior to the payment of benefits, the amounts withheld on account of section 409A, with interest as described above, shall be paid to the Employee's estate within 60 days after the Employee's death.

(b) Notwithstanding anything in this Agreement to the contrary, if required by section 409A, payments may only be made under this Agreement upon an event and in a manner permitted by section 409A, to the extent applicable. As used in the Agreement, the term “termination of employment” shall mean the Employee’s separation from service with the Company and its Subsidiaries and Affiliates within the meaning of section 409A and the regulations promulgated thereunder. For purposes of section 409A, each payment under the Agreement shall be treated as a separate payment. In no event may the Employee designate the year of payment for any amounts payable under the Agreement. All reimbursements and in-kind benefits provided under the Agreement shall be made or provided in accordance with the requirements of section 409A of the Code.

16. Governing Law. This Agreement shall be governed by and interpreted under the laws of the Commonwealth of Pennsylvania without giving effect to any conflict of laws provisions.

17. Contents of Agreement; Amendment. This Agreement supersedes all prior agreements with respect to the subject matter hereof (including without limitation any other change in control agreement in effect between the Company or a Subsidiary or Affiliate and the Employee) and sets forth the entire understanding between the parties hereto with respect to the subject matter hereof. This Agreement cannot be amended except pursuant to approval by the Board and a written amendment executed by the Employee and the Chair of the Compensation Committee. The provisions of this Agreement may require a variance from the terms and conditions of certain compensation or bonus plans under circumstances where such plans would not provide for payment thereof in order to obtain the maximum benefits for the Employee. It is the specific intention of the parties that the provisions of this Agreement shall supersede any provisions to the contrary in such plans, and such plans shall be deemed to have been amended to correspond with this Agreement without further action by the Company or the Board.

18. No Right to Continued Employment. Nothing in this Agreement shall be construed as giving the Employee any right to be retained in the employ of the Company or a Subsidiary or Affiliate.

19. Successors and Assigns. All of the terms and provisions of this Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective heirs, representatives, successors and assigns of the parties hereto, except that the duties and responsibilities of the Employee and the Company hereunder shall not be assignable in whole or in part.

20. Severability. If any provision of this Agreement or application thereof to anyone or under any circumstances shall be determined to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions or applications of this Agreement which can be given effect without the invalid or unenforceable provision or application.

21. Remedies Cumulative; No Waiver. No right conferred upon the Employee by this Agreement is intended to be exclusive of any other right or remedy, and each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given

hereunder or now or hereafter existing at law or in equity. No delay or omission by the Employee in exercising any right, remedy or power hereunder or existing at law or in equity shall be construed as a waiver thereof.

22. Miscellaneous. All section headings are for convenience only. This Agreement may be executed in several counterparts, each of which is an original. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

23. Arbitration. In the event of any dispute under the provisions of this Agreement other than a dispute in which the sole relief sought is an equitable remedy such as an injunction, the parties shall be required to have the dispute, controversy or claim settled by arbitration in Montgomery County, Pennsylvania, in accordance with the commercial arbitration rules then in effect of the American Arbitration Association, before one arbitrator who shall be an executive officer or former executive officer of a publicly traded corporation, selected by the parties. Any award entered by the arbitrator shall be final, binding and nonappealable and judgment may be entered thereon by either party in accordance with applicable law in any court of competent jurisdiction. This arbitration provision shall be specifically enforceable. The arbitrator shall have no authority to modify any provision of this Agreement or to award a remedy for a dispute involving this Agreement other than a benefit specifically provided under or by virtue of the Agreement. The Company shall be responsible for all of the fees of the American Arbitration Association and the arbitrator and any expenses relating to the conduct of the arbitration (including reasonable attorneys' fees and expenses).

IN WITNESS WHEREOF, the undersigned, intending to be legally bound, have executed this Agreement as of the date first written above. By executing this Agreement, the undersigned acknowledge that this Agreement replaces and supersedes any other understanding regarding the matters described herein.

UGI Corporation

By: _____

Title: _____

Employee:

Dated this ____ day of _____ 201__

EXHIBIT A
UGI CORPORATION
CHANGE IN CONTROL

For purposes of this Agreement, “Change in Control” shall mean:

(i) Any Person (except the Employee, his Affiliates and Associates, the Company, any Subsidiary of the Company, any employee benefit plan of the Company or of any Subsidiary of the Company, or any Person or entity organized, appointed or established by the Company for or pursuant to the terms of any such employee benefit plan), together with all Affiliates and Associates of such Person, becomes the Beneficial Owner in the aggregate of 20% or more of either (A) the then outstanding shares of common stock of the Company (the “Outstanding Company Common Stock”) or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the “Company Voting Securities”); or

(ii) Individuals who, as of the beginning of any 24-month period, constitute the Board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board, provided that any individual becoming a director subsequent to the beginning of such period whose election or nomination for election by the Company’s stockholders was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the Directors of the Company; or

(iii) Consummation by the Company of a reorganization, merger or consolidation (a “Business Combination”), in each case, with respect to which all or substantially all of the individuals and entities who were the respective Beneficial Owners of the Outstanding Company Common Stock and Company Voting Securities immediately prior to such Business Combination do not, following such Business Combination, Beneficially Own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination in substantially the same proportion as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and Company Voting Securities, as the case may be; or

(iv) (A) Consummation of a complete liquidation or dissolution of the Company or (B) sale or other disposition of all or substantially all of the assets of the Company other than to a corporation with respect to which, following such sale or disposition, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities

who were the Beneficial Owners, respectively, of the Outstanding Company Common Stock and Company Voting Securities immediately prior to such sale or disposition in substantially the same proportion as their ownership of the Outstanding Company Common Stock and Company Voting Securities, as the case may be, immediately prior to such sale or disposition.

FORM OF AMERIGAS PROPANE, INC.
2010 LONG-TERM INCENTIVE PLAN
ON BEHALF OF AMERIGAS PARTNERS, L.P.

PERFORMANCE UNIT GRANT LETTER

This PERFORMANCE UNIT GRANT, dated _____ (the “Date of Grant”), is delivered by AmeriGas Propane, Inc. (the “Company”) to you (the “Participant”).

RECITALS

WHEREAS, the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on Behalf of AmeriGas Partners, L.P. (the “Plan”) provides for the grant of performance units (“Performance Units”) with respect to common units of AmeriGas Partners, L.P. (“APLP”);

WHEREAS, the Plan has been adopted by the Board of Directors of the Company, and approved by the common unit holders of APLP (“Unitholders”);

WHEREAS, a Performance Unit is a performance unit that represents the value of one common unit of APLP (“Common Unit”);

WHEREAS, the Compensation/Pension Committee of the Board of Directors of the Company (the “Committee”) has decided to grant Performance Units to the Participant on the terms described below; and

WHEREAS, the Participant’s portal in the Morgan Stanley website for Plan participants (the “Grant Summary”) sets forth the target number of Performance Units granted to the Participant with respect to this grant as described in this grant letter (the “Grant Letter”).

NOW, THEREFORE, the parties to this Grant Letter, intending to be legally bound hereby, agree as follows:

1. Grant of Performance Units. Subject to the terms and conditions set forth in this Grant Letter and in the Plan, the Committee hereby grants to the Participant a target award of the number of Performance Units specified in the Grant Summary (the “Target Award”). The Performance Units will be earned and payable if and to the extent that the Performance Goals (described below) and other conditions of the Grant Letter are met. The Performance Units are granted with Distribution Equivalents (as defined in the Plan).

2. Performance Goals: Overview.

(a) Conditions to Payment. The Participant shall earn the right to payment of the Performance Units if the Performance Goals described below are met for the Performance Period (as described below), and if the Participant continues to be employed by, or provide service to, the Company and its Affiliates (as defined in the Plan) through December 31, _____. All payments described in this Section 2 with respect to the Performance Units are subject to the Participant's continued employment or service with the Company and its Affiliates through December 31, _____, except as provided in Section 4 or 7.

(b) Performance Period. The Performance Period with respect to the Performance Goals is the period beginning January 1, _____ and ending December 31, _____.

(c) Certification by the Committee. After the end of the Performance Period, the Committee will determine whether and to what extent the Performance Goals have been met and the amount, if any, to be paid with respect to the Performance Units.

3. Performance Goals.

(a) The Target Award will be payable if and to the extent that the Total Unitholder Return ("TUR") for APLP equals the median TUR of the Peer Group set forth in Exhibit A and described below (the "Peer Group") for the Performance Period and the Participant continues in employment or service with the Company or an Affiliate through December 31, 2021, subject to Sections 4 and 7 below.

(b) For purposes of calculations under this Section 3, the Peer Group consists of those specified companies from the Tortoise MLP Index, as set forth on the attached Exhibit A. If a company is added to the Tortoise MLP Index during the Performance Period, that company is not included in the TUR calculation. A company that is included in the Peer Group, as set forth in Exhibit A, will be removed from the TUR calculation only if the company ceases to exist as a publicly traded entity during the Performance Period, consistent with the methodology described in subsection (c) below. The actual award of Performance Units with respect to TUR performance may be higher or lower than the Target Award, or it may be zero, based on APLP's TUR percentile rank relative to the companies in the Peer Group, as follows:

APLP's TUR Rank Based on the Peer Group (Percentile)	Percentage of Target Award
90th	200%
75th	162.5%
60th	125%
50th	100%
40th	70%
25th	25%
less than 25th	0%

The award percentage will be interpolated between each of the measuring points.

(c) For purposes of calculating TUR for the Performance Goals under this Section 3, TUR shall be calculated by the Company using the comparative returns methodology used by Bloomberg L.P. or its successor at the time of the calculation. The price used for determining TUR at the beginning and the end of the Performance Period will be the average price for the calendar quarter preceding the beginning of the Performance Period (i.e., the calendar quarter ending on December 31, _____) and the calendar quarter ending on the last day of the Performance Period (i.e., the calendar quarter ending on December 31, _____), respectively. The TUR calculation gives effect to all dividends throughout the Performance Period as if they had been reinvested.

(d) The Target Award is the amount designated for 100% (50th TUR rank) performance. Under this Section 3, the Participant can earn up to 200% of the Target Award if APLP's TUR percentile rank exceeds the 50th TUR percentile rank, according to the foregoing schedule.

4. Termination of Employment or Service.

(a) Except as described below, if the Participant ceases to be employed by, or provide services to, the Company and its Affiliates before December 31, _____, the Performance Units and all Distribution Equivalents credited under this Grant Letter will be forfeited.

(b) If the Participant terminates employment or service with the Company and its Affiliates on account of Retirement (as defined below), Disability (as defined in the Plan) or death, the Participant will earn a pro-rata portion of the Participant's outstanding Performance Units and Distribution Equivalents, if the Performance Goals and the requirements of this Grant Letter are met. The prorated portion will be determined as the amount that would otherwise be paid after December 31, _____, based on achievement of the Performance Goals for the Performance Period, multiplied by a fraction, the numerator of which is the number of calendar years from January 1, _____ through December 31, _____ in which the Participant has been employed by, or provided service to, the Company or its Affiliates and the denominator of which is three. For purposes of the proration calculation, the calendar year in which the Participant's

termination of employment or service on account of Retirement, Disability, or death occurs will be counted as a full year.

(c) In the event of termination of employment or service with the Company and its Affiliates on account of Retirement, Disability or death, the prorated amount shall be paid between January 1, _____ and March 15, _____ pursuant to Section 5, except as provided in Section 7.

5. Payment with Respect to Performance Units. If the Committee determines that the conditions to payment of the Performance Units have been met, the Company shall pay to the Participant (i) Common Units equal to the number of Performance Units to be paid according to achievement of the Performance Goals, up to the Target Award, provided that the Company may withhold Common Units to cover required tax withholding in an amount equal to the minimum statutory tax withholding requirement in respect of the Performance Units earned up to the Target Award, and (ii) cash in an amount equal to the Fair Market Value (as defined in the Plan) of the number of Common Units equal to the Performance Units to be paid in excess of the Target Award, subject to applicable tax withholding. Payment shall be made between January 1, _____ and March 15, _____, except as provided in Section 7.

6. Distribution Equivalents with Respect to Performance Units.

(a) Distribution Equivalents shall accrue with respect to Performance Units and shall be payable subject to the same Performance Goals and terms as the Performance Units to which they relate. Distribution Equivalents shall be credited with respect to the Target Award of Performance Units from the Date of Grant until the payment date. If and to the extent that underlying Performance Units are forfeited, all related Distribution Equivalents shall also be forfeited.

(b) While the Performance Units are outstanding, the Company will keep records of Distribution Equivalents in a bookkeeping account for the Participant. On each payment date for a distribution paid by APLP on its Common Units, the Company shall credit to the Participant's account an amount equal to the Distribution Equivalents associated with the Target Award of Performance Units held by the Participant on the record date for the distribution. No interest will be credited to any such account. The Distribution Equivalents shall be payable if and to the extent that the underlying Performance Units are payable. The target amount of Distribution Equivalents (100% of the Distribution Equivalents credited to the Participant's account) will be payable if the Performance Goals are met at target, subject to continued employment. The Participant can earn from 0% to 200% of the target amount of the Distribution Equivalents based on attainment of the Performance Goals and continued employment or service with the Company or an Affiliate.

(c) Except as described in Section 4(b) above or Section 7, if the Participant's employment or service with the Company and its Affiliates terminates before December 31, _____, all Distribution Equivalents will be forfeited.

(d) Distribution Equivalents will be paid in cash at the same time and on the same terms as the underlying Performance Units are paid, after the Committee determines that the conditions to payment have been met.

7. Change of Control.

(a) If a Change of Control (as defined below) occurs, the Performance Units and Distribution Equivalents shall not automatically become payable upon the Change of Control but, instead, shall become payable as described in this Section 7. The Committee may take such other actions with respect to the Performance Units and Distribution Equivalents as it deems appropriate pursuant to the Plan. The term "Change of Control" shall mean a Change of Control, as defined in the Plan. In addition, "Change of Control" shall include any of the events with respect to UGI Utilities, Inc. ("Utilities") defined as a "Change of Control" on Exhibit B hereto to the extent that the Participant is employed by Utilities or a subsidiary of Utilities as of the date of the occurrence of such event.

(b) If a Change of Control occurs on or before December 31, _____, the Committee shall calculate a Change of Control Amount as follows:

(i) The Performance Period shall end as of the closing date of the Change of Control (the "Change of Control Date"). The TUR ending date calculations for the Performance Period shall be based on the 90 calendar day period ending on the Change of Control Date.

(ii) The Committee shall calculate a "Change of Control Amount" equal to the greater of (A) the Target Award amount or (B) the amount of Performance Units that would be payable based on the Company's achievement of the Performance Goals as of the Change of Control Date as described in subsection (i) above.

(iii) The Change of Control Amount shall include related Distribution Equivalents and, if applicable, interest, as described below.

(iv) The Committee shall determine whether the Change of Control Amount attributable to Performance Units shall be (A) converted to units with respect to shares or other equity interests of the acquiring company or its parent ("Successor Units"), in which case Distribution Equivalents shall continue to be credited on the Successor Units, or (B) valued based on the Fair Market Value of the Performance Units as of the Change of Control Date and credited to a bookkeeping account for the Participant, in which case interest shall be credited on the amount so determined at a market rate for the period between the Change of Control Date and the applicable payment date. Notwithstanding the provisions of Section 5, all payments on and after a Change of Control shall be made in cash. If alternative (A) above is used, the cash payment shall equal the Fair Market Value on the date of payment of the number of shares or other equity interests underlying the Successor Units, plus accrued Distribution Equivalents. All payments shall be subject to applicable tax withholding.

(c) If a Change of Control occurs and the Participant continues in employment or service with the Company or an Affiliate through December 31, _____, the Change of Control Amount shall be paid in cash between January 1, _____ and March 15, _____.

(d) If a Change of Control occurs and the Participant has a Termination without Cause or a Good Reason Termination, in either case upon or within two years after the Change of Control Date and before December 31, _____, the Change of Control Amount shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 15 below.

(e) If a Change of Control occurs and the Participant terminates employment or service with the Company and its Affiliates on account of Retirement, Disability or death upon or after the Change of Control Date and before December 31, _____, the Change of Control Amount shall be paid in cash within 30 days after the Participant's separation from service, subject to Section 15 below; provided that, if required by section 409A, if the Participant's Retirement, Disability or death occurs more than two years after the Change of Control Date, payment will be made between January 1, _____ and March 15, _____, and not upon the earlier separation from service.

(f) If a Participant's employment or service with the Company and its Affiliates terminates on account of Retirement, death or Disability before a Change of Control, and a Change of Control subsequently occurs on or before December 31, _____, the prorated amount described in Section 4(b) shall be calculated by multiplying the fraction described in Section 4(b) by the Change of Control Amount. The prorated Change of Control Amount shall be paid in cash within 30 days after the Change of Control Date, subject to Section 15 below.

8. Restrictive Covenants.

(a) The Participant acknowledges and agrees that, in consideration for the grant of Performance Units, the Participant agrees to comply with all written restrictive covenants and agreements with the Company and its affiliates, including non-competition, non-solicitation and confidentiality covenants (collectively, the "Restrictive Covenants").

(b) The Participant acknowledges and agrees that in the event the Participant breaches any of the Restrictive Covenants:

(i) The Committee may in its discretion determine that the Participant shall forfeit the outstanding Performance Units (without regard to whether the Performance Units have vested), and the outstanding Performance Units shall immediately terminate; and

(ii) If the Participant breaches any of the Restrictive Covenants within 12 months following receipt of any Common Units upon settlement of the Performance Units, the Committee may in its discretion require the Participant to return to the Company any such Common Units; provided, that if the Participant has disposed of any such Common Units received upon settlement of the Performance Units, then the

Committee may require the Participant to pay to the Company, in cash, the fair market value of such Common Units as of the date of disposition.

9. Definitions. For purposes of this Grant Letter, the following terms will have the meanings set forth below:

(a) “*Employed by, or provide service to, the Company or its Affiliates*” shall mean employment or service as an employee or director of the Company or its Affiliates. The Participant shall not be considered to have a termination of employment or service under this Grant Letter until the Participant is no longer employed by, or performing services for, the Company and its Affiliates.

(b) “*Good Reason Termination*” shall mean a termination of employment or service with the Company and its Affiliates initiated by the Participant upon or after a Change of Control upon one or more of the following events:

(i) a material diminution in the authority, duties or responsibilities held by the Participant immediately prior to the Change of Control;

(ii) a material diminution in the Participant’s base salary as in effect immediately prior to the Change of Control; or

(iii) a material change in the geographic location at which the Participant must perform services (which, for purposes of this Grant Letter, means the Participant is required to report, other than on a temporary basis (less than 12 months), to a location which is more than 50 miles from the Participant’s principal place of business immediately before the Change of Control, without the Participant’s express written consent).

Notwithstanding the foregoing, the Participant shall be considered to have a Good Reason Termination only if the Participant provides written notice to the Company, pursuant to Section 17, specifying in reasonable detail the events or conditions upon which the Participant is basing such Good Reason Termination and the Participant provides such notice within 90 days after the event that gives rise to the Good Reason Termination. Within 30 days after notice has been provided, the Company and its Affiliates shall have the opportunity, but shall have no obligation, to cure such events or conditions that give rise to the Good Reason Termination. If the Company or an Affiliate does not cure such events or conditions within the 30-day period, the Participant may terminate employment or service with the Company and its Affiliates based on Good Reason Termination within 30 days after the expiration of the cure period.

Notwithstanding the foregoing, if the Participant has in effect a Change in Control Agreement with the Company or an Affiliate, the term “Good Reason Termination” shall have the meaning given that term in the Change in Control Agreement.

(c) “*Retirement*” means the Participant’s separation from employment or service with the Company and its Affiliates upon or after attaining (i) age 55 with at least 10 years of service

with the Company and its Affiliates, or (ii) age 65 with at least 5 years of service with the Company and its Affiliates.

(d) “*Termination without Cause*” means termination of employment or service by the Company and its Affiliates for the convenience of the Company or an Affiliate for any reason other than (i) theft, misappropriation of funds or conduct that has an adverse effect on the reputation of the Company and its Affiliates, (ii) conviction of a felony or a crime involving moral turpitude, (iii) material breach of the Company’s or an Affiliate’s written code of conduct, or other material written employment policies, applicable to the Participant, (iv) breach of any written confidentiality, non-competition or non-solicitation covenant between the Participant and the Company or an Affiliate, (v) gross misconduct in the performance of duties, or (vi) intentional refusal or failure to perform the material duties of the Participant’s position.

10. Withholding. All payments under this Grant Letter are subject to applicable tax withholding. The Participant shall be required to pay to the Company, or make other arrangements satisfactory to the Company to provide for the payment of, any federal (including FICA), state, local or other taxes that the Company is required to withhold with respect to the payments under this Grant Letter. The Company may withhold from cash distributions to cover required tax withholding, or may withhold Units to cover required tax withholding in an amount equal to the minimum applicable tax withholding amount.

11. Grant Subject to Plan Provisions and Company Policies; Committee Discretion.

(a) This grant is made pursuant to the Plan, which is incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and payment of Performance Units and Distribution Equivalents are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (i) the registration, qualification or listing of the Common Units, (ii) adjustments pursuant to Section 5(c) of the Plan and (iii) other requirements of applicable law.

(b) The Committee shall have the sole and absolute authority to interpret and construe the grant pursuant to the terms of the Plan, including discretion to determine whether and to what extent the Performance Goals are met and, when calculating performance results, to make such adjustments as it deems appropriate. The Committee’s decisions shall be conclusive as to any questions arising hereunder.

(c) This Performance Unit grant and all Common Units issued pursuant to this Performance Unit grant shall be subject to the UGI Corporation Stock Ownership Policy as adopted by the Board of Directors of UGI Corporation or the Company and any applicable clawback and other policies implemented by the Board of Directors of UGI Corporation or the Company, as in effect from time to time.

12. No Employment or Other Rights. The grant of Performance Units shall not confer upon the Participant any right to be retained by or in the employ or service of the Company and its Affiliates and shall not interfere in any way with the right of the Company and its Affiliates to

terminate the Participant's employment at any time. The right of the Company and its Affiliates to terminate at will the Participant's employment at any time for any reason is specifically reserved.

13. No Unit Holder Rights. Neither the Participant, nor any person entitled to receive payment in the event of the Participant's death, shall have any of the rights and privileges of a Unitholder with respect to the Common Units related to the Performance Units, unless and until Common Units have been distributed to the Participant or successor.

14. Assignment and Transfers. The rights and interests of the Participant under this Grant Letter may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. If the Participant dies, any payments to be made under this Grant Letter after the Participant's death shall be paid to the Participant's estate. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and Affiliates.

15. Compliance with Code Section 409A. Notwithstanding the other provisions hereof, this Grant Letter is intended to comply with the requirements of section 409A of the Internal Revenue Code of 1986, as amended, or an exception, and shall be administered accordingly. Any reference to a Participant's termination of employment or service shall mean a Participant's "separation from service," as such term is defined under section 409A. For purposes of section 409A, each payment of compensation under this Grant Letter shall be treated as a separate payment. Notwithstanding anything in this Grant Letter to the contrary, if the Participant is a "key employee" under section 409A and if payment of any amount under this Grant Letter is required to be delayed for a period of six months after separation from service pursuant to section 409A, payment of such amount shall be delayed as required by section 409A and shall be paid within 10 days after the end of the six-month period. If the Participant dies during such six-month period, the amounts withheld on account of section 409A shall be paid to the personal representative of the Participant's estate within 60 days after the date of the Participant's death. Notwithstanding anything in this Grant Letter to the contrary, if a Change of Control is not a "change in control event" under section 409A, any Performance Units and Distribution Equivalents that are payable pursuant to Section 7 shall be paid to the Participant between January 1, _____ and March 15, _____, and not upon the earlier separation from service, if required by section 409A.

16. Applicable Law. The validity, construction, interpretation and effect of this Grant Letter shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of laws provisions thereof.

17. Notice. Any notice to the Company provided for in this Grant Letter shall be addressed to the Company in care of the Corporate Secretary at the Company's headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the payroll of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

18. Acknowledgement. By accepting this grant through the Morgan Stanley on-line system, the Participant (i) acknowledges receipt of the Plan incorporated herein, (ii) acknowledges that he or she has read the Grant Summary and Grant Letter and understands the terms and conditions of them, (iii) accepts the Performance Units described in the Grant Letter, (iv) agrees to be bound by the terms of the Plan and the Grant Letter, and (v) agrees that all the decisions and determinations of the Board or the Committee shall be final and binding on the Participant and any other person having or claiming a right under this grant.

EXHIBIT A

Performance Period January 1, through December 31,

Peer Group

ARLP Alliance Resource Partners, L.P.
ANDX Andeavor Logistics LP
BSM Black Stone Minerals, L.P.
BPMP BP Midstream Partners LP
BPL Buckeye Partners, L.P.
CINR Ciner Resources LP
CCR CONSOL Coal Resources LP
CEQP Crestwood Equity Partners LP
CAPL CrossAmerica Partners LP
UAN CVR Partners, LP
CVRR CVR Refining, LP
DKL Delek Logistics Partners, LP
DMLP Dorchester Minerals, L.P.
EVA Enviva Partners, LP
EQM EQT Midstream Partners, LP
GLOP GasLog Partners LP
GEL Genesis Energy, L.P.
GLP Global Partners LP
GMLP Golar LNG Partners LP
GPP Green Plains Partners LP
HMLP Höegh LNG Partners LP
HEP Holly Energy Partners, L.P.
KNOP KNOT Offshore Partners LP
MMLP Martin Midstream Partners
NGL NGL Energy Partners LP
NBLX Noble Midstream Partners LP
NS NuStar Energy L.P.
PBFX PBF Logistics LP
PSXP Phillips 66 Partners LP
SHLX Shell Midstream Partners, L.P.
SRLP Sprague Resources LP
SPH Suburban Propane Partners, L.P.
SUN Sunoco LP
TCP TC PipeLines, LP
TLP Transmontaigne Partners L.P.
USDP USD Partners LP
WLKP Westlake Chemical Partners LP

EXHIBIT B

Change of Control with Respect to Utilities

For purposes of this Grant Letter, each of the following events shall constitute a “Change of Control” for Participants who are employees of UGI Utilities, Inc. (“Utilities”) or a subsidiary of Utilities as of the date of the occurrence of such event. Unless otherwise defined herein, capitalized terms are used as defined in the Plan (including, without limitation, Exhibit A thereto).

“Change of Control” shall include any of the following events:

(A) UGI and the UGI Subsidiaries fail to own more than fifty percent (50%) of the then outstanding shares of common stock of Utilities or more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of Utilities entitled to vote generally in the election of directors; or

(B) Completion by Utilities of a reorganization, merger or consolidation (a “Business Combination”), in each case, with respect to which all or substantially all of the individuals and entities who were the respective Beneficial Owners of Utilities’ outstanding common stock and voting securities immediately prior to such Business Combination do not, following such Business Combination, Beneficially Own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination in substantially the same proportion as their ownership immediately prior to such Business Combination of Utilities’ outstanding common stock and voting securities, as the case may be; or

(C) Completion of a complete liquidation or dissolution of the Utilities or sale or other disposition of all or substantially all of the assets of Utilities other than to a corporation with respect to which, following such sale or disposition, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of Utilities’ outstanding common stock and voting securities immediately prior to such sale or disposition in substantially the same proportion as their ownership of Utilities’ outstanding common stock and voting securities, as the case may be, immediately prior to such sale or disposition.

FORM OF UGI CORPORATION
2013 OMNIBUS INCENTIVE COMPENSATION PLAN
NONQUALIFIED STOCK OPTION GRANT LETTER

This STOCK OPTION GRANT, dated _____ (the “Date of Grant”), is delivered by UGI Corporation (“UGI”) to you (the “Participant”).

RECITALS

The UGI Corporation 2013 Omnibus Incentive Compensation Plan (the “Plan”), provides for the grant of options to purchase shares of common stock of UGI. The Compensation and Management Development Committee of the Board of Directors of UGI (the “Committee”) has decided to make a stock option grant to the Participant. The Participant’s portal in the Morgan Stanley website for Plan participants (the “Grant Summary”) sets forth the number of shares subject to the Option granted to the Participant in this grant.

NOW, THEREFORE, the parties to this Grant Letter, intending to be legally bound hereby, agree as follows:

1. Grant of Option. Subject to the terms and conditions set forth in this Grant Letter and in the Plan, the Committee hereby grants to the Participant a nonqualified stock option (the “Option”) to purchase the number of shares of common stock of UGI (“Shares”) specified in the Grant Summary at an exercise price of \$_____ per Share. The Option shall become exercisable according to Section 2 below.
2. Exercisability of Option. The Option shall become exercisable on the following dates, if the Participant is employed by, or providing service to, the Company (as defined below) on the applicable date:

<u>Date</u>	<u>Shares for Which the Option is Exercisable</u>
January 30, _____	33⅓%
January 30, _____	33⅓%
January 30, _____	33⅓%

The exercisability of the Option is cumulative, but shall not exceed 100% of the Shares subject to the Option. If the foregoing schedule would produce fractional Shares, the number of Shares for which the Option becomes exercisable shall be rounded down to the nearest whole Share.

3. Term of Option.

(a) The Option shall have a term of ten years from the Date of Grant and shall terminate at the expiration of that period (5:00 p.m. EST on _____), unless it is terminated at an earlier date pursuant to the provisions of this Grant Letter or the Plan.

(b) If the Participant ceases to be employed by, or provide service to, the Company, the Option will terminate on the date the Participant ceases such employment or service. However, if the Participant ceases to be employed by, or provide service to, the Company by reason of one of the following events, the Option held by the Participant will thereafter be exercisable pursuant to the following terms:

(i) *Termination without Cause.* If the Participant terminates employment or service on account of a Termination without Cause, the Option will thereafter be exercisable only with respect to that number of Shares with respect to which the Option is already exercisable on the date the Participant's employment or service terminates, except as provided in subsection (v) below. Such portion of the Option will terminate upon the earlier of the expiration date of the Option or the expiration of the 13-month period commencing on the date the Participant ceases to be employed by, or provide service to, the Company.

(ii) *Retirement.* If the Participant ceases to be employed by, or provide service to, the Company on account of Retirement on or after the date that is six months following the Date of Grant, the Option will thereafter become exercisable as if the Participant had continued to be employed by, or provide service to, the Company after the date of such Retirement. In this case, the Option will terminate upon the expiration date of the Option. However, if the Participant ceases to be employed by, or provide service to, the Company on account of Retirement within six months following the Date of Grant, the Option will terminate on the date of such termination of employment or service.

(iii) *Disability.* If the Participant ceases to be employed by, or provide service to, the Company on account of Disability, the Option will thereafter become exercisable as if the Participant had continued to provide service to the Company for 36 months after the date of such termination of employment or service. The Option will terminate upon the earlier of the expiration date of the Option or the expiration of such 36-month period.

(iv) *Death.* In the event of the death of the Participant while employed by, or providing service to, the Company, the Option will be fully and immediately exercisable and may be exercised at any time prior to the earlier of the expiration date of the Option or the expiration of the 12-month period following the Participant's death. Death of the Participant after the Participant has ceased to be employed by, or provide service to, the Company will not affect the otherwise applicable period for exercise of the Option determined pursuant to subsections (i), (ii), (iii) or (v). After the Participant's death, the Participant's Option may be exercised by the Participant's estate.

(v) *Termination without Cause or Good Reason Termination upon or within two years after a Change of Control.* Notwithstanding the foregoing, if the Participant's employment or service terminates on account of a Termination without Cause or a Good Reason Termination upon or within two years after a Change of Control, the Option will be fully and immediately exercisable. The Option will terminate upon the earlier of the expiration date of the Option or the expiration of the 13-month period commencing on the date the Participant ceases to be employed by, or provide service to, the Company; provided that if the Participant is eligible for Retirement at the date of such termination of employment, the Option will terminate on the expiration date of the Option.

4. Exercise Procedures.

(a) Subject to the provisions of Sections 2 and 3 above, the Participant may exercise part or all of the exercisable Option through the Morgan Stanley website for Plan participants. Payment of the exercise price and any applicable withholding taxes must be made prior to issuance of the Shares. The Participant shall pay the exercise price (i) in cash, (ii) by "net exercise," which is the surrender of shares for which the Option is exercisable to the Company in exchange for a distribution of Shares equal to the amount by which the then fair market value of the Shares subject to the exercised Option exceeds the applicable Option Price, (iii) by payment through a broker in accordance with procedures acceptable to the Committee and permitted by Regulation T of the Federal Reserve Board or (iv) by such other method as the Committee may approve. The Committee may impose such limitations as it deems appropriate on the use of Shares to exercise the Option.

(b) The obligation of UGI to deliver Shares upon exercise of the Option shall be subject to all applicable laws, rules, and regulations and such approvals by governmental agencies as may be deemed appropriate by the Committee, including such actions as UGI's counsel shall deem necessary or appropriate to comply with relevant securities laws and regulations. UGI may require that the Participant (or other person exercising the Option after the Participant's death) represent that the Participant is purchasing Shares for the Participant's own account and not with a view to or for sale in connection with any distribution of the Shares, or such other representation as UGI deems appropriate.

(c) All obligations of UGI under this Grant Letter shall be subject to the rights of the Company as set forth in the Plan to withhold amounts required to be withheld for any taxes, if applicable.

5. Restrictive Covenants.

(a) The Participant acknowledges and agrees that, in consideration for the grant of the Option the Participant agrees to comply with all written restrictive covenants and agreements with the Company, including non-competition, non-solicitation and confidentiality covenants (collectively, the "Restrictive Covenants").

(b) The Participant acknowledges and agrees that in the event the Participant breaches any of the Restrictive Covenants:

(i) The Committee may in its discretion determine that the Participant shall forfeit the outstanding Option (without regard to whether any portion of the Option has vested), and the outstanding Option shall immediately terminate; and

(ii) If the Participant breaches any of the Restrictive Covenants within 12 months following receipt of any shares of Common Stock upon exercise of the Option, the Committee may in its discretion require the Participant to return to the Company any such shares of Common Stock, net of the exercise price paid by the Participant; provided, that if the Participant has disposed of any such shares of Common Stock received upon exercise of the Option, then the Committee may require the Participant to pay to the Company, in cash, the fair market value of such shares of Common Stock as of the date of disposition, net of the exercise price paid by the Participant upon exercise of the Option.

6. Definitions. Whenever used in this Grant Letter, the following terms shall have the meanings set forth below:

(a) “*Change of Control*” shall mean a Change of Control of UGI as defined in the Plan. In addition, “Change of Control” shall include (i) any of the events with respect to UGI Utilities, Inc. (“Utilities”) defined as a “Change of Control” on Exhibit A hereto to the extent that the Participant is employed by Utilities or a subsidiary of Utilities as of the date of the occurrence of such event, and (ii) any of the events with respect to AmeriGas Propane, Inc. (“AmeriGas”) defined as a “Change of Control” on Exhibit B hereto to the extent that the Participant is employed by AmeriGas as of the date of the occurrence of such event.

(b) “*Company*” means UGI and its Subsidiaries (as defined in the Plan).

(c) “*Disability*” means a long-term disability as defined in the Company’s long-term disability plan applicable to the Participant.

(d) “*Employed by, or provide service to, the Company*” shall mean employment or service as an employee or director of the Company.

(e) “*Good Reason Termination*” shall mean a termination of employment or service initiated by the Participant upon or within two years after a Change of Control upon one or more of the following occurrences:

(i) a material diminution in the authority, duties or responsibilities held by the Participant immediately prior to the Change of Control;

(ii) a material diminution in the Participant’s base salary as in effect immediately prior to the Change of Control; or

(iii) a material change in the geographic location at which the Participant must perform services (which, for purposes of this Grant Letter, means the Participant is required to report, other than on a temporary basis (less than 12 months), to a location which is more than 50 miles from the Participant’s principal place of business

immediately preceding the Change of Control, without the Participant's express written consent).

Notwithstanding the foregoing, the Participant shall be considered to have a Good Reason Termination only if the Participant provides written notice to the Company, pursuant to Section 14, specifying in reasonable detail the events or conditions upon which the Participant is basing such Good Reason Termination and the Participant provides such notice within 90 days after the event that gives rise to the Good Reason Termination. Within 30 days after notice has been provided, the Company shall have the opportunity, but shall have no obligation, to cure such events or conditions that give rise to the Good Reason Termination. If the Company does not cure such events or conditions within the 30-day period, the Participant may terminate employment or service with the Company based on Good Reason Termination within 30 days after the expiration of the cure period.

Notwithstanding the foregoing, if the Participant has in effect a Change in Control Agreement with the Company or an Affiliate, the term "Good Reason Termination" shall have the meaning given that term in the Change in Control Agreement.

(f) "*Retirement*" means the Participant's retirement under the Retirement Income Plan for Employees of UGI Utilities, Inc., if the Participant is covered by that Retirement Income Plan. "Retirement" for other Company employees means termination of employment or service after attaining (i) age 55 with ten or more years of service with the Company or (ii) age 65 with five or more years of service with the Company.

(g) "*Termination without Cause*" means termination of employment or service by the Company for the convenience of the Company for any reason other than (i) theft or misappropriation of funds or conduct that has an adverse effect on the reputation of the Company, (ii) conviction of a felony or a crime involving moral turpitude, (iii) material breach of the Company's written code of conduct, or other material written employment policies, applicable to the Participant, (iv) breach of any written confidentiality, non-competition or non-solicitation covenant between the Participant and the Company, (v) gross misconduct in the performance of duties, or (vi) intentional refusal or failure to perform the material duties of the Participant's position.

7. Change of Control. If a Change of Control occurs, the Committee may take such actions with respect to the Option as it deems appropriate pursuant to the Plan. The Option shall not automatically become exercisable upon a Change of Control but, instead, shall become exercisable as described in Sections 2 and 3 above.

8. Restrictions on Exercise. Except as the Committee may otherwise permit pursuant to the Plan, only the Participant may exercise the Option during the Participant's lifetime and, after the Participant's death, the Option shall be exercisable by the Participant's estate, to the extent that the Option is exercisable pursuant to this Grant Letter.

9. Grant Subject to Plan Provisions and Company Policies.

(a) This grant is made pursuant to the Plan, which is incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and exercise of the Option are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (i) the registration, qualification or listing of the Shares, (ii) changes in capitalization of the Company and (iii) other requirements of applicable law. The Committee shall have the authority to interpret and construe the Option pursuant to the terms of the Plan, and its decisions shall be conclusive as to any questions arising hereunder.

(b) All Shares issued pursuant to this Option grant shall be subject to the UGI Corporation Stock Ownership Policy. This Option grant and all Shares issued pursuant to this Option grant shall be subject to any applicable clawback and other policies implemented by the Board of Directors of UGI, as in effect from time to time.

10. No Employment or Other Rights. The grant of the Option shall not confer upon the Participant any right to be retained by or in the employ or service of the Company and shall not interfere in any way with the right of the Company to terminate the Participant's employment or service at any time. The right of the Company to terminate at will the Participant's employment or service at any time for any reason is specifically reserved.

11. No Shareholder Rights. Neither the Participant, nor any person entitled to exercise the Participant's rights in the event of the Participant's death, shall have any of the rights and privileges of a shareholder with respect to the Shares subject to the Option, until certificates for Shares have been issued upon the exercise of the Option.

12. Assignment and Transfers. The rights and interests of the Participant under this Grant Letter may not be sold, assigned, encumbered or otherwise transferred except, in the event of the death of the Participant, by will or by the laws of descent and distribution. The rights and protections of the Company hereunder shall extend to any successors or assigns of the Company and to the Company's parents, subsidiaries, and affiliates.

13. Applicable Law. The validity, construction, interpretation and effect of this instrument shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflicts of laws provisions thereof.

14. Notice. Any notice to UGI provided for in this instrument shall be addressed to UGI in care of the Corporate Secretary at UGI's headquarters, and any notice to the Participant shall be addressed to such Participant at the current address shown on the payroll of the Company, or to such other address as the Participant may designate to the Company in writing. Any notice shall be delivered by hand, sent by telecopy or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service.

15. Acceptance. By accepting this grant through the Morgan Stanley on-line system, the Participant (i) acknowledges receipt of the Plan incorporated herein, (ii) acknowledges that he or

she has read the Grant Summary and Grant Letter and understands the terms and conditions of them, (iii) accepts the Option described in the Grant Letter, (iv) agrees to be bound by the terms of the Plan, including the Grant Letter, and (v) agrees that all the decisions and determinations of the Board or the Committee shall be final and binding on the Participant and any other person having or claiming a right under this Grant.

* * *

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EXHIBIT A

Change of Control with Respect to Utilities

For purposes of this Grant Letter, each of the following events shall constitute a “Change of Control” for Participants who are employees of UGI Utilities, Inc. (“Utilities”) or a subsidiary of Utilities as of the date of the occurrence of such event. Unless otherwise defined herein, capitalized terms are used as defined in the Plan (including, without limitation, Exhibit A thereto).

“Change of Control” shall include any of the following events:

(A) UGI and the UGI Subsidiaries fail to own more than fifty percent (50%) of the then outstanding shares of common stock of Utilities or more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of Utilities entitled to vote generally in the election of directors; or

(B) Completion by Utilities of a reorganization, merger or consolidation (a “Business Combination”), in each case, with respect to which all or substantially all of the individuals and entities who were the respective Beneficial Owners of Utilities’ outstanding common stock and voting securities immediately prior to such Business Combination do not, following such Business Combination, Beneficially Own, directly or indirectly, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination in substantially the same proportion as their ownership immediately prior to such Business Combination of Utilities’ outstanding common stock and voting securities, as the case may be; or

(C) Completion of a complete liquidation or dissolution of the Utilities or sale or other disposition of all or substantially all of the assets of Utilities other than to a corporation with respect to which, following such sale or disposition, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of Utilities’ outstanding common stock and voting securities immediately prior to such sale or disposition in substantially the same proportion as their ownership of Utilities’ outstanding common stock and voting securities, as the case may be, immediately prior to such sale or disposition.

EXHIBIT B

Change of Control with Respect to AmeriGas

For purposes of this Grant Letter, each of the following events shall constitute a “Change of Control” for Participants who are employees of AmeriGas Propane, Inc. (“AmeriGas”) as of the date of the occurrence of such event. Unless otherwise defined herein, capitalized terms are used as defined in the Plan (including, without limitation, Exhibit A thereto).

“Change of Control” shall include any of the following events:

(A) Completion by AmeriGas, the “Public Partnership” or the “Operating Partnership” (as defined in the AmeriGas Propane, Inc. 2010 Long-Term Incentive Plan on behalf of AmeriGas Partners, L.P., including, without limitation, Exhibit A thereto) of a reorganization, merger or consolidation (a “Propane Business Combination”), in each case, with respect to which all or substantially all of the individuals and entities who were the respective Beneficial Owners of the AmeriGas voting securities or of the outstanding units of AmeriGas Partners, L.P. (“Outstanding Units”) immediately prior to such Propane Business Combination do not, following such Propane Business Combination, Beneficially Own, directly or indirectly, (a) if the entity resulting from such Propane Business Combination is a corporation, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of such corporation in substantially the same proportion as their ownership immediately prior to such Combination of the AmeriGas’ voting securities or the Outstanding Units, as the case may be, or, (b) if the entity resulting from such Propane Business Combination is a partnership, more than fifty percent (50%) of the then outstanding common units of such partnership in substantially the same proportion as their ownership immediately prior to such Propane Business Combination of AmeriGas’ voting securities or the Outstanding Units, as the case may be; or

(B) (a) Completion of a complete liquidation or dissolution of AmeriGas, the Public Partnership or the Operating Partnership or (b) sale or other disposition of all or substantially all of the assets of AmeriGas, the Public Partnership or the Operating Partnership other than to an entity with respect to which, following such sale or disposition, (I) if such entity is a corporation, more than fifty percent (50%) of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of AmeriGas’ voting securities or of the Outstanding Units, as the case may be, immediately prior to such sale or disposition in substantially the same proportion as their ownership of AmeriGas’ voting securities or of the Outstanding Units, as the case may be, immediately prior to such sale or disposition, or, (II) if such entity is a partnership, more than fifty percent (50%) of the then outstanding common units is then owned beneficially, directly or indirectly, by all or substantially all of the individuals and entities who were the Beneficial Owners, respectively, of

AmeriGas' voting securities or of the Outstanding Units, as the case may be, immediately prior to such sale or disposition in substantially the same proportion as their ownership of AmeriGas' voting securities or of the Outstanding Units immediately prior to such sale or disposition; or

(C) UGI and the UGI Subsidiaries fail to own more than fifty percent (50%) of the then outstanding general partnership interests of the Public Partnership or the Operating Partnership; or

(D) UGI and the UGI Subsidiaries fail to own more than fifty percent (50%) of the then outstanding shares of common stock of AmeriGas or more than fifty percent (50%) of the combined voting power of the then outstanding voting securities of AmeriGas entitled to vote generally in the election of directors; or

(E) AmeriGas is removed as the general partner of the Public Partnership by vote of the limited partners of the Public Partnership, or is removed as the general partner of the Public Partnership or the Operating Partnership as a result of judicial or administrative proceedings involving AmeriGas, the Public Partnership or the Operating Partnership.

CERTIFICATION

I, Hugh J. Gallagher, certify that:

1. I have reviewed this periodic report on Form 10-Q of AmeriGas Partners, L.P;
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: May 8, 2019

/s/ Hugh J. Gallagher

Hugh J. Gallagher
President and Chief Executive Officer of
AmeriGas Propane, Inc.

CERTIFICATION

I, Ann P. Kelly, certify that:

1. I have reviewed this periodic report on Form 10-Q of AmeriGas Partners, L.P;
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: May 8, 2019

/s/ Ann P. Kelly

Ann P. Kelly

Chief Financial Officer

**Certification by the Chief Executive Officer and Principal Financial Officer
Relating to a Periodic Report Containing Financial Statements**

I, Hugh J. Gallagher, Chief Executive Officer, and I, Ann P. Kelly, Chief Financial Officer, of AmeriGas Propane, Inc., a Pennsylvania corporation, the General Partner of AmeriGas Partners, L.P. (the "Company"), hereby certify that to our knowledge:

- (1) The Company's periodic report on Form 10-Q for the period ended March 31, 2019 (the "Form 10-Q") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

/s/ Hugh J. Gallagher

/s/ Ann P. Kelly

Hugh J. Gallagher

Ann P. Kelly

Date: May 8, 2019

Date: May 8, 2019